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Module 3

ESG strategy implementation for rural SMes

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Welcome to Module 3!

Integrating ESG (Environmental, Social, and Governance) values into daily operations is not just about compliance, but about **building smarter, stronger rural businesses.**

This module gives you **practical tools** to integrate ESG into strategy, supply chains and employee culture.

You will learn how to identify **ESG priorities**, plan meaningful actions and **evaluate the results** for continuous improvement.

Whether you advise or manage an SME, this course will help you put **ESG principles into daily practise** — and create long-term value.

Let's get started and let's build the future, sustainably.

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What will you learn?

By the end, you'll be fully equipped with practical skills to implement ESG strategies in a real SME context.

By the end of this module, you will be able to:

- **LO1: To develop and apply ESG strategies that optimise business processes and resource use.**
- **LO2: To identify and implement specific actions that improve environmental sustainability and social impact.**
- **LO3: To create plans for short-term ESG goals tailored to rural SME contexts.**
- **LO4: Train and engage staff to support ESG initiatives and evaluate their effectiveness.**

These outcomes guide the activities, tools, and exercises you'll complete across all three units.

Unit 1	ESG Integration & Operational Alignment
Unit 2	Implementation of ESG Actions and Process Optimisation
Unit 3	ESG Culture, Evaluation & Continuous Improvement

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Unit 1

ESG INTEGRATION & OPERATIONAL ALIGNMENT

Learning objectives

At the end of the Unit, you are expected to:

1. embed ESG strategies into daily SME operations by mapping ESG responsibilities and processes across departments
2. enhance understanding of how supplier relationships in the value chain are aligned with ESG principles to support resource optimisation and compliance
3. understand and identify how ESG risks can turn into improvement opportunities for SMEs

This Unit works on the following ESG Competences:

3.E.2: Valuing sustainability

3.E.4: Understanding and promoting results replication potentials

3.S.6: Ability to foster stakeholders' involvement

3.G.1: Ability to mobilise resources

3.G.3: Knowledge of Compliance regulations and procedures

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What will we discuss in this Unit?

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Lesson 1

MAPPING ESG IN SME OPERATIONS

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ESG Integration & Operational Alignment

Lesson 1: Mapping ESG in SME Operations

Understanding how ESG principles integrate into everyday operations in SMEs

Topic 1: Cross-Departmental ESG Roles

ESG is not owned by one department. It is a collaborative procedure and every team has a role in ESG delivery.

Let's have a look on the departments which share ESG:

Finance → monitors ESG reporting, investments in green tech and tracks performance metrics.

Operations → manages environmental aspects (energy use and waste, materials)

HR → ensures fair labour practises (inclusion, safety, ethical hiring)

Sales → communicates ESG commitments, supports responsible branding.

Leadership → drives governance and strategy and leads implementation

Every team has a role in ESG delivery.

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Lesson 1: Mapping ESG in SME Operations

Topic 2: Daily Workflows related to ESG

This topic zooms in on **routine tasks** and links them to ESG outcomes.
The aim is to:

- raise **awareness** of what is already happening
- promote **mindful optimisation**

Why are these daily workflows so important?
They ensure consistency and transparency and are compliant with evolving ESG regulations. They also contribute to strategic decision making.

Image source: Canva

Examples

1. Switching off the machines during the lunch break (E)
2. Welcoming new employees with value-based onboarding (S)
3. Check whether procurement emails contain ethical procurement guidelines (G)

Lesson 1: Mapping ESG in SME Operations

Topic 3: Mapping Real Workflows

Even small rural businesses, such as farms, local producers or service providers can demonstrate how their daily activities are in line with ESG principles.

Daily actions and activities have an impact on environment, community and the way decisions are made.

To learn more about this practical topic and see an example from our case study, watch the video below and try to recognise challenges and possible problems and collect your ideas during the video.

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STEVIA HELLAS COOPERATIVE

A practical example of how a rural cooperative mapped ESG roles and workflows across its core farming operations.

This case shows how a rural cooperative mapped its core workflows and distributed ESG roles across daily farming, processing, and governance—turning sustainability from a vision into structured, measurable practise.

Stevia Hellas Cooperative

Location: Spercheios Valley, Central Greece

After transitioning from tobacco to stevia, the cooperative integrated ESG goals into its daily farming and governance.
They mapped key workflows such as organic cultivation, irrigation, drying, and packaging, identifying how each step impacts environmental and social outcomes.
Field advisors introduced smart farming tools (e.g. gaiasense sensors) that track water and nutrient use. At the same time, training programmes helped farmers apply sustainable practices and document their compliance for organic certification.

Rather than assigning ESG to one role, responsibilities were distributed:

- Board sets ESG direction and ensures certification.
- Farmers and agronomists implement day-to-day actions.
- Processing teams monitor quality and resource use.

This model showed that even small cooperatives can operationalise ESG by mapping workflows and distributing responsibility across teams.

• Water use decreased by 22%, while fertilizer input dropped by 17% through better monitoring.
• Packaging waste was reduced by shifting to recyclable and biodegradable materials.
• Members became more engaged with sustainability because they saw tangible benefits and were part of the process.
• The cooperative attracted young farmers and expanded its network, growing from 25 to over 120 members.
• The mapping exercise helped identify gaps (e.g. need for better documentation or internal communication), leading to better coordination and clearer roles.

This approach connected daily work with ESG outcomes, showing that practical mapping and shared responsibility can embed sustainability into the core of a rural SME.

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Lesson 2

SUPPLIER ENGAGEMENT & ESG IN THE VALUE CHAIN

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ESG Integration & Operational Alignment

Lesson 2: Supplier Engagement & ESG in the Value Chain

Extending ESG values beyond your business

Topic 1: ESG Criteria for Suppliers

SMEs can understand which environmental, social and governance criteria can be applied when selecting and evaluating suppliers.

Let’s see some ESG Criteria Examples to better understand this topic:

- **Environmental** → eco-friendly materials, energy-efficient production, local sourcing
- **Social** → safe working conditions, no child labour
- **Governance** → transparency, anti-corruption policy, compliance with regulations

This “criteria” perspective shifts the focus from decisions based solely on price to partnerships based primarily on value.

Lesson 2: Supplier Engagement & ESG in the Value Chain

Topic 2: Tools to Assess the ESG Performance of Suppliers

Simple, easily **accessible** tools that rural SMEs can use to assess ESG performance without the need for audits or consultants.

Below, you will find two tools suited for small businesses:

ESG Supplier Checklist

This tool is a strategic instrument that is suitable for evaluating your supplier's sustainability practises.

- A basic form with YES/NO questions for the categories E, S, G.
- For example:
  E: "Do you recycle or handle waste responsibly?"
  S: "Do employees have health insurance?"

Supplier Self-Assessment Questionnaire (SAQ)

This tool is a short survey (self-assessment) you send to your suppliers in identifying potential risks, evaluating ESG practises, etc.

- It can contain open, scored and YES/NO questions.
- It can be conducted digitally (Google Forms, Typeform, etc.) or on paper.

Image source: Canva

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Lesson 2: Supplier Engagement & ESG in the Value Chain

Topic 3: Action Planning for Value Chain Alignment

This topic shows how SMEs can translate what they learn about their suppliers into **practical steps** to align **supply chain** with their **ESG goals**.

Image source: Canva

Practical steps could be:

- Switching to suppliers with better ESG practises
- Working with local producers to shorten supply chains and reduce emissions
- Include basic ESG clauses in contracts (e.g. commitment to ethical labour conditions)
- Conduct annual ESG reviews with key partners

! Start by focussing on the **one or two most important** suppliers for your SME.

Lesson 2: Supplier Engagement & ESG in the Value Chain

Topic 1, 2, 3: Practical application inspired by the case study of **Voliotis Family Olive Oil**

Example scenario from the Case Study: Olive Oil Producer

A small medium-sized company that produces olive oil in a rural area wants to align its operations with ESG values. They manage their waste in a cycle and compost olive leaves.

Example of steps

1. **Define Criteria ⟶ E, S, G**
2. **Evaluation of the supplier**
3. **Action Plan**

Outcome

1. Reduced production costs
2. Stronger supplier engagement
3. Improved product quality

Optional Self-reflection Activity

Brainstorming time

10 Minutes

Choose your business or your friend's business and try to think if you are already doing one or more of these three steps and write them down on a piece of paper.

If you are not already doing any of these steps, try creating a new plan for your business that includes these three steps.

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Lesson 3

IDENTIFYING ESG RISKS & OPPORTUNITIES

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ESG Integration & Operational Alignment

Lesson 3: Identifying ESG Risks & Opportunities

Turning risk awareness into strategic advantage

This lesson presents a procedure that is divided into the following three topics.

Topic 1: ESG Risk Mapping Tools

SMEs can use basic tools that help in identification of ESG-related risks within their operations, supply chains and stakeholder relationships.

Let's have a look on some common ESG Risks to learn more about the topic:

- **Environmental** → pollution, water use, energy inefficiency
- **Social** → unsafe working conditions, labour shortages, community resistance
- **Governance** → lack of transparency, data protection issues, regulatory non-compliance

Tools and Techniques

- **ESG SWOT analysis**: Traditional SWOT analysis with an ESG-specific shift.
- **ESG PESTLE analysis**: This analysis is a powerful strategic tool that can be used to assess the factors that influence an organisation from a macro-environmental perspective. It can identify external risks (e.g. climate impact, new labour regulations, etc.)

Lesson 3: Identifying ESG Risks & Opportunities

Topic 2: Prioritising ESG Hotspots

Now that the risks have been identified, topic 2 will help you to focus on the **hotspots**.

What are Hotspots in ESG?

Hotspots are specific areas within a company or organisation with high ESG impacts, vulnerabilities or risks that require urgent attention.

What are some examples of Hotspot criteria?

- High environmental footprint from the use of chemicals in rural areas
- High reputational risks in terms of human rights or labour conditions
- Regulatory sensitivity in waste disposal

If you would like to learn more about this aspect from a more scientific perspective, you can find an interesting scientific article [here](#).

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Lesson 3: Identifying ESG Risks & Opportunities

Topic 3: Turning Risks into Opportunities for Improvement

Once you have identified your risks and focussed on the hotspots, this topic will help you to view risks as strategic opportunities.
Opportunities that are important for innovation, saving resources and building transparency and trust.

Examples of turning ESG risks into value

High energy consumption → Installation of biomass heaters = cost savings + positive environmental impact

Weak community relations → Collaboration with local farmers = stronger reputation + trust

Supply chain opacity → Partnership with nearby producers = product traceability + localisation and authenticity of the products

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STEVIA HELLAS COOPERATIVE

A practical example of how a rural cooperative turned ESG risks into opportunities for innovation and sustainable growth.

A rural cooperative that turned ESG risks—like environmental harm and market exclusion—into drivers of innovation, growth, and community renewal.

Stevia Hellas Cooperative (Greece)

Facing the phase-out of tobacco subsidies and increasing concerns over soil degradation and public health, a group of farmers recognised key ESG risks:

- Regulatory risk from unsustainable crops
- Reputational risk linked to chemical use
- Social risk due to youth leaving agriculture

They held informal risk mapping sessions, using simple lists and impact discussions, to identify which risks threatened their economic future the most.
Rather than reacting defensively, the group decided to:

- Shift to organic stevia, reducing regulatory and environmental exposure
- Adopt smart farming to monitor and minimise input use
- Develop a new brand, La Mia Stevia, to access health-conscious markets

By linking risks to opportunity, they reshaped their business model around ESG.

- Environmental risk dropped, as pesticide use ended and water use declined by 22%
- New market access was gained via certified organic branding
- Youth engagement increased, with young members joining to work on smart agriculture
- Funding eligibility improved, thanks to alignment with EU green criteria
- Stakeholder trust grew, as consumers, certifiers, and public authorities saw tangible ESG action

This case proves that rural SMEs can map risks in a simple way and turn them into **strategic**, **sustainable growth**.

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Summary of Unit 1

ESG Integration & Operational Alignment

ESG Integration

ESG should be integrated into day-to-day processes, supplier decisions and risk management

Mapping & Evaluation

Mapping and assessment help SMEs to take practical, realistic steps and track where adjustments or improvements are needed.

Value Chain

The value chain is an important piece of the ESG strategy. If you consider suppliers as a crucial part, you will continuously improve.

Risks & Opportunities

Risks are not threats. They are opportunities for growth, improvement and strength if you use them correctly.

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UNIT 2

IMPLEMENTATION OF ESG ACTIONS AND PROCESS OPTIMISATION

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Learning objectives

At the end of the Unit, you are expected to:

1. To learn how to prioritise and plan ESG measures through short-term planning and translating the strategy into concrete steps
2. To optimise SME processes for sustainability
3. To learn how to reshape ESG performance through the use of simple tools

This Unit works on the following ESG Competences:

3.E.2: Valuing sustainability

3.E.3: Understanding impacts transferability

3.S.7: Benefit Impact Assessment

3.G.4: Understanding and planning long-term investments

3.G.7: Promoting Financial sustainability

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What will we discuss in this Unit?

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Lesson 1

PRIORITISATION AND PLANNING OF ESG ACTIONS

Implementation of ESG Actions and Process Optimisation

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Lesson 1: Prioritisation and planning of ESG Actions

Implementation of ESG Actions and Process Optimisation

Image source: Canva

Topic 1: Short-Term Planning of ESG Actions

An ESG Action Plan is a strategy that sets out the company's approach and actions to achieving and improving ESG performance.
It can really help companies and SMEs to systematically improve their performance.

Short-Term Planning

Short-term planning helps the organisation to address immediate ESG business needs, challenges and problems that may arise while developing the long-term vision.

Why Short-term Planning is important?

- Aligns the actions with the available capacities and resources
- Creates early momentum for long-term change
- Makes the ESG tangible and realistic
- Enables quick wins to demonstrate value

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Lesson 1: Prioritisation and planning of ESG Actions

Topic 1: Short-Term Planning of ESG Actions

What makes an ESG action "short-term"?

Short-term ESG actions typically:

- Require limited investment
- Set daily, monthly and quarterly goals that can be implemented within 3–12 months
- Demonstrate clear, measurable benefits
- Do not require extensive redesign of processes

SMART goal setting Framework

A popular framework for setting short-term goals is SMART practise. You can find out more and use the SMART Framework template **here**.

Image source: Canva

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Lesson 1: Prioritisation and planning of ESG Actions

Practical Exercise

7 Minutes

1

Think about your current operations.

2

Open and use the SMART frame template that you found on the previous slide.

3

Think and write down two or three ESG goals that can be achieved within the next 6 months.

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Lesson 1: Prioritisation and planning of ESG Actions

Topic 2: Impact vs. Feasibility Matrix

How do you decide which ESG actions to start with?

The **Impact/Feasibility Matrix** is a decision-making tool that helps companies to select ESG actions.

With this tool, you can:

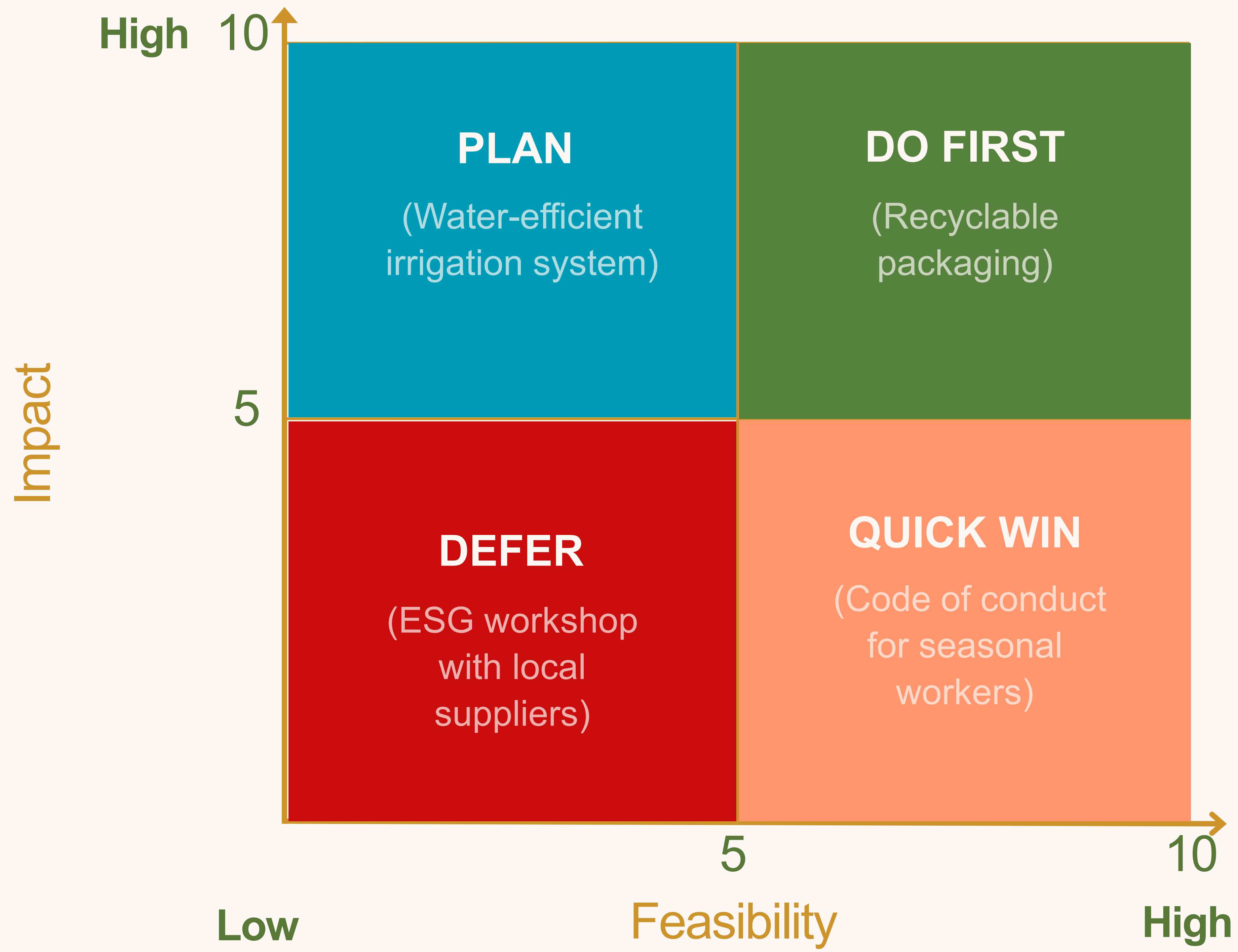
- evaluate **potential initiatives** based on their expected impact on sustainability and feasibility given the SME's resources.
- structure **decision-making**
- prioritise which ESG actions/ideas are worth pursuing
- ensure a **balance** between ambition and practicality

To learn more things Impact/Feasibility Matrix, read this brief **article**.

Lesson 1: Prioritisation and planning of ESG Actions

Topic 2: Impact vs. Feasibility Matrix

Example of Impact vs. Feasibility Matrix inspired by the Case Study



Let's analyse the example

Recyclable packaging
↓
High Impact - High Feasibility (top right)
=
DO FIRST

Water-efficient irrigation system
↓
High Impact - Low Feasibility (top left)
=
PLAN

Code of conduct for seasonal workers
↓
Medium Impact - High Feasibility (bottom right)
=
QUICK WIN

ESG workshop with local suppliers
↓
Low Impact - Low Feasibility (bottom left)
=
DEFER

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Lesson 1: Prioritisation and planning of ESG Actions

Topic 3: Translating the Strategy into Concrete Steps

This topic will help you to put the priorities you have set **into practise**. It is important to break down ESG goals into clear, achievable steps.
These are some practical steps you can follow:

1. Definition of specific tasks
2. Assignment of responsibilities
3. Set of deadlines
4. Identify success indicators
5. Monitor progress

Image source: Canva

! Use tools such as **project plans, checklists, timetables** and **success indicators**.

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Lesson 1: Prioritisation and planning of ESG Actions

Topic 3: Translating the Strategy into Concrete Steps

Example of a simplified ESG Action Plan inspired by our Case Study. You can also find a template, ready for use, here.

ESG Goal	Action Step	Who	When	Success Indicator
Reduce packaging waste	Switch to recyclable bottles and labels	Operations Leader	August	100% of new products use recyclable packaging
Improve working conditions	Draft and implement a seasonal worker code of conduct	HR Manager	July	Code in place; all employees informed and trained
Increase transparency in the supply chain	Host an ESG awareness meeting for local olive growers	Sustainability Advisor	September	5+ suppliers participate; feedback collected

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VOLIOTIS FAMILY OLIVE OIL

A practical example of how a small olive oil SME translated ESG goals into short-term, visible actions across its daily operations.

This case shows how a small olive oil SME translated ESG strategy into short-term, low-cost actions — using clear planning, role-sharing and monitoring — turning sustainability from a concept into tangible results.

Voliotis Family Olive Oil
Location: Pelion Peninsula, Central Greece

Facing challenges with the environmental impact and cost of managing olive by-products (leaves, branches, pits), the company embedded ESG goals into its production and governance.

They mapped key workflows, from olive reception to milling, storage, bottling and waste handling, to see how each step affects environmental, social and economic outcomes.

Initial low-cost ESG actions were launched to create visible results:

• Separated organic by-products and started on-site composting for use in their own olive groves
• Reorganised workspace for safer material flows and reduced accidents
• Published product analysis reports and certifications on their website to build customer trust
• Provided short internal training workshops on sustainability practices Instead of assigning ESG to a single person, responsibilities were distributed:
• Owners set ESG priorities and monitor progress
• Production teams run day-to-day actions and track KPIs
• External advisors support compliance and certifications

This model shows how small rural SMEs can transform abstract ESG goals into practical short-term initiatives by planning them as part of everyday operations.

- Organic waste sent off-site dropped by 100% within 6 months, lowering disposal costs and transport emissions
- Staff reported improved safety and clarity in daily tasks after workspace reorganization
- Website visitors and direct sales increased after publishing certifications and analysis results
- Compost reuse improved soil quality in their groves and strengthened ties with local farmers
- Staff became more engaged with sustainability because they could see tangible results and had clear responsibilities
- The planning process revealed gaps (e.g. documentation, scheduling) which were fixed with simple tools (SOPs, checklists)

This approach turned ESG strategy into concrete steps and clear roles, showing how quick wins can build momentum and embed sustainability into the core of an SME.

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Lesson 2

PROCESS REDESIGN FOR ESG PERFORMANCE

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Implementation of ESG Actions and Process Optimisation

Lesson 2: Process Redesign for ESG Performance

How SMEs in rural areas can identify and improve business processes for sustainability

Small changes in processes can create big ESG gains.

Topic 1: Identification of Inefficient or ESG-weak Processes

Inefficient or weak processes can be one or more activities in your SME that do not take ESG factors into account. This inefficient - weak process can have a negative impact on the company, sustainability, labour productivity and financial performance.

More specific:

Inefficient → time - wasting, resource-intensive, inconsistent

ESG-weak → processes that waste energy, generate high emissions, are unfair or lack transparency

Useful steps

Recognise processes in your SME that either waste resources, lack social responsibility or pose a risk to management.

Focus on practical observations

Try to use real operational examples from your own environment to identify areas for improvement.

Lesson 2: Process Redesign for ESG Performance

Topic 1: Identification of Inefficient or ESG-weak Processes

Example **inspired by our Case study of Voliotis Family Olive Oil**

ESG-Weak Processes in Olive Oil SME

Waste disposal in a nearby mountain area ⟶ 1. high transportation costs 2. constant care for regulatory standards ⟶ Wastage

No relationship with the local community ⟶ No positive acceptance by the local community

No tracking of olive waste disposal ⟶ complaints from the local community about the ecological and aesthetic impact on the natural landscape

Additional info: the necessary measures to trace and handle waste in the case of the old model (without ESG) would require costly interventions

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VOLIOTIS FAMILY OLIVE OIL

How this small olive oil SME translated the previous ESG-weak processes into short-term, visible and measurable actions across its daily operations?

Using simple observation and staff feedback, they **mapped their production processes** (olive reception → milling → storage → bottling → waste handling) to locate bottlenecks, unnecessary steps and ESG risks.

Instead of a costly overhaul, they applied **incremental redesign steps**:

1. Introduced **manual waste recording** to gain data on volumes
2. Created **on-site composting** to reduce transport needs
3. Reorganised workflows for **clearer roles and safer workspaces**
4. Started **community outreach** by sharing compost with nearby farmers

This showed how even small rural SMEs can improve ESG by **detecting and fixing weak processes through small, targeted redesign**.

- Waste sent off-site dropped by 50% within 6 months → lower costs and emissions
- Workspace incidents decreased after clearer process flows were introduced
- Staff became more engaged and started suggesting further improvements (Kaizen mind-set)
- Local community perception improved after compost reuse and open communication
- Better documentation (manual waste logs) allowed tracking ESG indicators and informed future decisions

This approach proved that **small process changes can create measurable ESG gains**, building a foundation for continuous improvement without overburdening resources.

Lesson 2: Process Redesign for ESG Performance

Topic 2: Simple Tools for Process Improvement

Which tools help to redesign processes?

Get to know basic tools for process improvement that are especially suitable for small and medium-sized companies. It is better to focus on incremental, ongoing optimisations than on major overhauls.

Basic Tools for Process Improvement

PDCA ⟶ Plan-Do-Check-Act **If you would like to find out more, watch this video.**	It is a simple model that comprises these four steps and aims to bring about change. This method is usually used by companies for control and continuous improvement.
Kaizen ⟶ Continuous improvement in small steps or “Change for Good”	It is a management approach to continuous and ongoing improvement based on the concept that small steps and changes can lead to significant improvements.

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Lesson 2: Process Redesign for ESG Performance

Topic 2: Simple Tools for Process Improvement

PDCA

Plan

Identify the problem
Plan a change

Do

Test the change on a small scale

Check

Measure the results and analyse the effectiveness

Act

Standardise the successful change

Kaizen

Identify issue/problem

Recognise inefficiencies or bottlenecks

Involve everyone

Empower all employees to suggest changes and solutions

Make small changes

Optimise the process without major costs

Monitor the results

Keep a log, track success

Repeat

continuous approach ⟶ keep getting better

Lesson 2: Process Redesign for ESG Performance

Topic 2: Simple Tools for Process Improvement

Self-reflection Activity

8-10 Minutes

Objective

A practical improvement in a current process with ESG value.

Instructions

1. Identify a small, practical problem
2. Choose one of the **two tools**
3. Think and complete the steps according to the tool you have chosen

Self-reflection Questions (optional)

Why was the problem you chose worth solving?

Was your improvement idea easy to implement?

Could this way of thinking be applied on a weekly basis in your SME?

ESG Focus Tips

Think about small corrections that:

Reduce waste or energy (E)

Improve communication or fairness (S)

More clarity or traceability (G)

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Lesson 2: Process Redesign for ESG Performance

Topic 3: Suggesting Improvements with ESG Impact

Practical changes to existing processes can bring measurable ESG benefits, e.g. reducing emissions and production costs and improving working conditions.

QUICK TIPS

1. Involve your employees in the brainstorming process
2. Consider both the costs and the ESG value
3. Keep improvements measurable and reversible

Let's look at an example to better understand the improvements focussed on ESG:

Weak Process	ESG-focussed improvement
Manual waste recording	Digital waste log via mobile app
Overtime without records	Simple digital timesheet template

Summary of Unit 2

Implementation of ESG Actions and Process Optimisation

Impact-feasibility

The impact-feasibility matrix is your decision-making compass. It can be very helpful in prioritising your ESG goals and actions.

ESG Action Plan

Clear and concrete action planning turns ESG conversations into progress

Small Processes

Improving small processes can lead to large sustainability wins.

Simple Tools

Tools such as PDCA and Kaizen can play an important role in implementing ESG improvements without overburdening resources.

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UNIT 3

ESG CULTURE, EVALUATION & CONTINUOUS IMPROVEMENT

Learning objectives

At the end of the Unit, you are expected to:

- To build internal engagement through employee training and ESG communicationB
- To develop campaigns to raise awareness of ESG implementation
- To measure the results of adaptive ESG implementation in SMEs through the use of KPIs and feedback mechanisms

This Unit works on the following ESG Competences:

3.E.1: Knowledge of Sustainability KPIs

3.E.3: Understanding impacts transferability

3.S.3: Staff Training

3.S.4: Knowledge of corporate inclusion policy

3.S.7: Benefit Impact Assessment

3.G.4: Understanding and planning long-term investments

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What will we discuss in this Unit?

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Lesson 1

EMPLOYEE ENGAGEMENT AND ESG AWARENESS

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ESG Culture, Evaluation & Continuous Improvement

Lesson 1: Employee Engagement & ESG Awareness

Building an ESG Culture from the inside out

Image source: Canva

Why employee engagement is important?

Involvement

ESG cannot only be understood from the top down. It needs everyone to be involved.

Engagement

Engaged employees = better dedication and execution, more ideas and stronger community values.

Small SMEs

In small SMEs, every employee can be an ESG ambassador.

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Lesson 1: Employee Engagement & ESG Awareness

Topic 1: Internal Training & ESG Communication

Learn the importance of educating employees about ESG concepts, values and practises and ensure that your internal communication strategy reinforces these messages. Clear and consistent communication creates trust and helps to anchor ESG in the company culture.

QUICK TIPS

Training = the basis for ESG awareness

Use **internal communication tools**: notice boards, WhatsApp groups, staff meetings.

Use **simple**, **task-based training**: e.g. waste reduction, ethical sourcing.

Keep it **relevant**: link it to daily tasks such as sorting olives or watering.

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Lesson 1: Employee Engagement & ESG Awareness

Topic 1: Internal Training & ESG Communication

Example of Internal ESG Communication

The following scenario is **inspired by our case study**, but it is only an example.

Scenario

The SME introduces water-saving measures.

Channel

Printed poster + WhatsApp voice message

Here you will find a template for internal ESG communication, ready for use.

Message

"Starting next week, we will reduce the amount of water used in olive washing."

Each team will get a demo on using the new system.

Your suggestions on water efficiency are welcome!

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Lesson 1: Employee Engagement & ESG Awareness

Topic 2: Staff Roles in ESG Implementation

How many different roles in an SME can contribute to ESG results?

Everyone is responsible for the ESG and the tasks can be aligned with the roles without overburdening the employees. This is important for bottom-up participation.

Everyone has a role:

1. Machine operator ⟶ Reduce energy consumption
2. Packer ⟶ Report plastic waste
3. Administration ⟶ Track fair trade sourcing

Empowerment through ownership at task level

Highlight their contribution in ESG updates.

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Lesson 1: Employee Engagement & ESG Awareness

Topic 2: Staff Roles in ESG Implementation

Self-reflection Exercise

3-5 Minutes

1

Question

What small ESG action could every team member in your SME take?

Production

Packaging

Administration

Delivery

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Lesson 1: Employee Engagement & ESG Awareness

Topic 3: Designing Awareness Campaigns

By developing internal awareness campaigns, your employees can be sensitised to specific ESG issues (e.g. waste management, sustainable water use, social inclusion)

Tips for organising such a successful campaign:

- Keep it local, fun and visible.
- Focus on one topic at a time (e.g. reduce plastic, save water).
- Use slogans, images and team challenges.
- Combine the success of the campaign with a small reward (e.g. lunch or a gift basket).

Image source: Canva

Lesson 1: Employee Engagement & ESG Awareness

Topic 3: Designing Awareness Campaigns

Image source: Canva

Let’s get more specific and look at some tips on how to create ESG awareness in rural SMEs and end up building a positive ESG culture, a culture that aims for visibility and participation.

Speak the language of the team: **simple and visual**.

Make it **personal.**

“This helps our land, our water and our customers.

Involve **younger employees** to lead the communication (technically savvy).

Celebrate **successes**, no matter how small.

ESG Culture, Evaluation & Continuous Improvement

Lesson 1: ESG Assessment and Customisation

Image source: Canva

Making ESG Performance Visible, Measurable, and Responsive

Why ESG Assessment is important?

ESG Success

It requires follow-up, review and improvement.

Growth

Supports continued growth, cost efficiency and reputation

Small SMEs

Helps small SMEs stay compliant, relevant and trustworthy.

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Lesson 2

ESG ASSESSMENT AND CUSTOMISATION

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Lesson 2: ESG Assessment and Customisation

Topic 1: Using KPIs to Evaluate ESG Results

KPI stands for **Key Performance Indicator** ⟶ a quantifiable measure of performance **over time** for a **specific goal**. A KPI can serve as a strategic tool for measuring ESG objectives and results, such as employee diversity, community engagement, energy consumption.

Choose **simple, relevant** and **comprehensible** KPIs

Use these KPIs to track **progress** over **time**.

Start with 2–3 KPIs per **ESG pillar** (environmental, social, governance)

Focus on making measurement **practical** and **meaningful** for the SME context.

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Lesson 2: ESG Assessment and Customisation

Topic 1: Using KPIs to Evaluate ESG Results

Example of ESG KPIs inspired by our Case Study of **Voliotis Family Olive Oil**

ESG Pillar	KPI		Target	Current Status
Environmental	Litres of water consumed per tonne of olives	Kg of waste oil or composted leaves	(Measurable)	(Measurable)
Social	ESG training hours per employee	Local suppliers % of total	(Measurable)	(Measurable)
Governance	Number of ESG meetings per year	ESG-related customer complaints recorded and resolved	(Measurable)	(Measurable)

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Lesson 2: ESG Assessment and Customisation

Topic 2: Feedback Mechanisms

It is important to gather feedback from your employees, customers and partners/suppliers to improves your SME's ESG initiatives. These feedback mechanisms are essential to check whether your **ESG actions** are **effective**.

Two-way communication

1. Bottom-up
2. Top-down

Best tools:

1. Anonymous staff surveys
2. Questions on ESG customer satisfaction
3. Supplier feedback calls or forms

Structure the collection of feedback and integrate it into the ESG evaluation and planning cycles.

Lesson 2: ESG Assessment and Customisation

Topic 2: Feedback Mechanisms

Template for collecting ESG feedback from your employees

Question types:

1. How clear is our ESG policy? (Linkert-scale 1–5)
2. What changes have you noticed as a result of ESG actions?
3. What would help you to be more committed to ESG?
4. Do you feel that your suggestions are taken seriously?
5. Monitor progress

Image source: Canva

Frequency: Every 6 months

Tools: Google forms or paper printouts

Anonymity: The survey should be anonymous

Survey template, ready for use [here](#).

Lesson 2: ESG Assessment and Customisation

Topic 3: Continuous Improvement Loops

Now it's time to use evaluation results and feedback gathered by the surveys to regularly adjust strategies, update practises and create long-term value.

Tips for Continuous Improvement Loops

Use results and feedback to make small, smart changes	Try "*Learn → Improve → Test → Repeat*"
Encourage each team to suggest ESG changes and solutions	Use PDCA model (see **Unit 2**) or other similar tools

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Summary of Unit 3

ESG Culture, Evaluation & Continuous Improvement

Employees

Employees are the key ESG promoters. Give them responsibility.

Communication

Communicate with clarity, consistency and local relevance and you will see great results.

KPIs

KPIs are important metrics that help SMEs to know where they stand and where they want to go.

ESG Culture

ESG culture improves when results lead to smart change and starts with your people.

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Thank you for completing the Module!

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