



ESG in Social Care

FROM COMPLIANCE TO CULTURE



THE SUPREME COURT LONDON 27TH APRIL 2026



Foreword

Picture this: A residential care home introduces ESG principles by focusing on staff wellbeing, sustainability, and strong governance. They reduce waste by using digital care records instead of paper and switch to energy-efficient lighting, lowering costs that are reinvested into staff training. Managers create fair recruitment practices and wellbeing support, improving staff retention and morale. Regular feedback from residents and families is used to improve care plans and daily routines. Clear governance ensures safeguarding concerns are reported quickly and transparently. As a result, residents receive more consistent, person-centred care, and the home builds greater trust with families and regulators.

As society places greater emphasis on sustainability and ethical responsibility in everyday life, ESG (Environmental, Social, and Governance) has become an increasingly important part of how care services are assessed, including within the Care Quality Commission (CQC) framework. However, ESG should be more than a compliance exercise or a simple box-ticking process – it should be embedded meaningfully into the culture and practice of care.

This report examines how ESG can be effectively integrated into care systems by drawing on perspectives from across the sector – including individuals who draw on care and support, practitioners, and policymakers. In doing so, it highlights both the opportunities and challenges of embedding ESG principles into everyday practice.

The recommendations presented focus on improving outcomes for all those connected to the care system, including people receiving care, their families, and the workforce. This report calls on policymakers, health and care professionals, and wider stakeholders to engage with and implement these recommendations, supporting a future in which ESG is not treated as an obligation, but as a foundation for delivering compassionate, dignified, and high-quality care.

Chair: Martin Green OBE – Chief Executive, Care England

The Panellists:

Nadra Ahmed

– Co-Chair, National Care Association

Robin Asquith

– Head of the Natural Environment, Camphill Village Trust

Lara Bywater

– Managing Director, LDC Care Co.

Amrit Dhaliwal

– Chief Executive Officer, Walfinch

Lisa Edmonds

– Head of Business Administration, Oakland Care Group

Dr Clenton Farquharson CBE

– Associate Director, Think Local Act Personal

Karolina Gerlich – Chief Executive Officer, Care Worker's Charity

Kari Gerstheimer

– Chief Executive, Access Social Care

Paul Grouney

– Chief Executive, Caring Connections

Adam Hurst

– Chief Technology Officer, Log my Care

Darren Klein

– NACC Midlands Chairman, National Association of Care Catering (NACC)

Brent Lumley

– Chief Quality Officer, Hesley Group

Hannah Montgomery

– Founder, Grace Cares

Geraldine Smith

– Director, Coate Water Care

Executive Summary

This report provides a framework for effectively integrating ESG (Environmental, Social, and Governance) principles across the social care sector, with a focus on improving communication and collaboration between frontline care staff, providers, and policymakers. It emphasises that ESG should be embedded into everyday practice rather than treated as a compliance exercise.

The report highlights both the challenges and opportunities of applying ESG in social care, including workforce pressures, sustainability, governance, and the need for greater recognition of the sector's social value. Central to this is co-production, ensuring that people who draw on care and support, alongside those who deliver it, play an active role in shaping services and policy.

The recommendations aim to improve outcomes for people receiving care, support workforce wellbeing, and strengthen the long-term sustainability, accountability, and quality of social care.

We tried to build it from the bottom with the people we support.

Robin Asquith – Head of the Natural Environment, Camphill Village Trust

Key Findings:

It feels to me that the first conversations are around the cost of care.

Brent Lumley – Chief Quality Officer, Hesley Group

● **ESG as a foundation, not an add-on**

ESG in social care should be embedded within core organisational strategy rather than treated as a separate “green” initiative or policy. The most effective approaches connect ESG directly to improved outcomes for people who draw on care and support, workforce wellbeing and retention, and long-term financial sustainability. If ESG continues to be treated as an optional add-on, services risk short-term decision making, reduced quality of care, and missed opportunities for sustainable improvement.

● **‘ESG’, not just ‘E’**

ESG efforts often focus too heavily on environmental issues such as energy use, waste reduction, and carbon emissions because these are easier to measure. However, the social and governance aspects remain underdeveloped – particularly around anti-racism, tackling systemic inequalities, workforce pay and conditions, respect, fuel poverty, and cost-of-living pressures. Failing to address these wider issues risks deepening inequalities, increasing staff dissatisfaction, and weakening trust across the sector.

- **The workforce as the foundation of quality care**

Care workers must be treated with dignity, respect, and fairness – not only within services but by society as a whole. Low pay and rising living costs, particularly transport and fuel expenses, negatively affect well being and reduce the capacity of staff to engage with wider ESG initiatives. This creates a moral disconnect when organisations invest in sustainability projects while staff remain on minimum wage. Without meaningful investment in the workforce, staff shortages, burnout, and poor retention will continue to undermine the quality and consistency of care.

- **People’s rights, power, and voice**

ESG in social care should be measured by how effectively it shifts power towards people who draw on care, their families, and unpaid carers. Success should be reflected in dignity, respect, relationships, belonging, and personal control – not just performance indicators. Co-production must be central to service design and decision-making. If people’s voices remain excluded, services risk becoming disconnected from real needs, leading to poorer outcomes and reduced trust in care systems.

- **Culture, language, and narrative must change**

Current system language such as “managing demand,” “care packages,” “complex needs,” and “unskilled carers” can be dehumanising and contributes to the undervaluing of both people receiving care and the workforce. A stronger focus is needed on better lives, belonging, relationships, and genuine person-centred care – where systems adapt to people, rather than people adapting to systems. Without this cultural shift, stigma and low morale will persist, making recruitment, retention, and public confidence even more difficult.

- **Measuring meaningful change**

Technology can be a powerful tool for improving measurement, accountability, and engagement. However, success measures must go beyond easily quantifiable targets and include dignity, respect, anti-racism, equality, and quality of relationships. Digital tools should also be used more effectively to amplify the voices of people who draw on care and support. If measurement remains too narrow, important aspects of care quality will continue to be overlooked, limiting real progress and meaningful improvement.

- **Addressing the ‘postcode lottery’**

Inconsistent practices across local authorities create significant inequalities in care access and quality, leading to a “postcode lottery.” Stronger governance, clearer standards, and a stronger public narrative about the value of social care are needed. Without reform, unfair access to care will continue, leaving people’s outcomes dependent on where they live rather than what they need.

Law is part of hope and how you can improve the ‘S’ in ESG.

Kari Gerstheimer – Chief Executive, Access Social Care

● From reactive to proactive care

Social care must move away from a crisis-driven, reactive model towards earlier, preventative support. Neighbourhood and locality-based commissioning models can improve continuity of care, strengthen local relationships, improve staff retention, and reduce long-term costs and avoidable crises. If the system remains reactive, demand on emergency services will continue to rise, costs will increase, and people will experience unnecessary deterioration before receiving support.

● Practical, quick wins

Meaningful progress requires a balance of short, medium, and long-term actions. Recognising and building on the good work already being done by providers and staff is essential for motivation and sustainability. Many quick wins can be achieved simply by reviewing everyday practices, improving communication, and embedding ESG principles into routine decision-making. Without early visible progress, engagement may decline, and ESG risks being seen as another short-lived initiative rather than a lasting improvement.

What would the planet think about this choice that we are making.

Hannah Montgomery – Founder, Grace Cares

Recommendations:

The report outlines several key actions for effectively integrating ESG into the health and social care sector. These recommendations focus on practical, achievable steps that can be implemented immediately while also supporting longer-term cultural and systemic change:

- Make ESG visible and relatable to staff. Show how it connects to daily care, staff wellbeing, and outcomes to encourage engagement.
- Shift language and narrative. Use respectful, person-centred language that values both people receiving care and the workforce.
- Start small with measurement. Focus on a few areas you can influence, such as wellbeing, feedback, or sustainability, including dignity and inclusion.
- Make quick improvements through food. Reduce waste, improve sourcing, and involve people in menu choices to support wellbeing and sustainability.
- Embed ESG through everyday behaviours. Use training and leadership to integrate sustainability, equality, and person-centred care into daily practice.

By implementing these recommendations, organisations can strengthen all three pillars of ESG. Environmental improvements such as reducing waste and improving sustainability support long-term efficiency and responsible resource use. Social improvements such as better workforce wellbeing, dignity, equality, and co-production create stronger outcomes for people who draw on care and those who deliver it. Stronger governance through accountability, safeguarding, and transparent decision-making builds trust across the sector.

We can't just put things into place because they are all the range for the environment at the time.

Karolina Gerlich - Chief Executive Officer, Care Worker's Charity



Embedding ESG as the Foundation of Social Care

Often, we don't spend enough time behind the 'why'.

Amrit Dhaliwal - Chief Executive Officer, Walfinch

Putting Rights, Voice, and Relationships at the Heart of ESG

ESG in social care should be judged by how well it strengthens people's rights, voice, and relationships - not the complexity of paperwork. This means co-producing decisions with people who draw on care and their families, ensuring they help define what good care looks like. When rooted in lived experience, ESG drives autonomy, connection, and trust. Without this, it risks becoming a tick-box exercise with little real impact.

Reframing Social Care as Skilled, Complex, and Mission-Led Work

Embedding ESG creates an opportunity to recognise social care as skilled, relational, and essential work. Linking ESG to fair pay, career progression, and recognition helps challenge the "unskilled carer" narrative and position care as a meaningful, values-driven career. Without this shift, recruitment and retention challenges will persist, and the sector will continue to be undervalued.



One of our big areas is supporting the market workforce.

Paul Crowney – Chief Executive, Caring Connections

Integrating People, Planet, and Profit into Everyday Decisions

Making ESG foundational means applying the “people, planet, profit” approach to everyday decisions. ESG should guide routine choices, not sit as a separate initiative. Simple questions about impact can help align practice with long-term sustainability. Without this integration, ESG efforts may remain fragmented, limiting their effectiveness and long-term value.



We have got to make ESG blend into the everyday life.

Nadra Ahmed – Co-Chair, National Care Association

Creating a Culture of Dignity, Accountability, and Meaningful Change



*My understanding of person-centred care is what **you** need.*

Lisa Edmonds – Head of Business Administration, Oakland Care Group



From Compliance to Co-Production and Shared Power

A culture of dignity and accountability is built when people who draw on care, their families, and the workforce move from being consulted to being genuine partners. This requires shifting from top-down compliance to shared decision-making, where people help shape priorities solutions, and outcomes. Without this shift, services risk becoming disconnected from real needs, leading to poorer outcomes and reduced trust.



It is difficult to implement change, if you cannot measure change.

Adam Hurst – Chief Technology Officer, Log my Care



Measuring What Matters: Respect, Equity, and Lived Experience

Meaningful change requires moving beyond basic KPIs to measure what people experience – dignity, respect, safety, belonging, and fairness. This involves combining data with feedback, lived experience, and rights-based indicators. If this is not addressed, services may meet targets without genuinely improving people's experiences.

Tackling Inequalities Through Anti-Racist and Anti-Ageist Practice

ESG commitments are limited if structural inequalities, such as racism and ageism, are not addressed. A culture of dignity requires actively identifying and tackling discrimination, using data to highlight inequities, and supporting staff and people who raise concerns. Embedding this across governance, training, and commissioning makes inclusion a core priority. Without action, inequalities will persist, impacting both workforce wellbeing and quality of care.



The data in adult social care tells quite a serious tale of inequality.

Dr Clenton Farquharson CBE – Associate Director, Think Local Act Personal



Delivering Sustainable Reform Through Prevention and Practical Action

We never ever seem to make an instant decision when there is an instant crisis.

Martin Green OBE - Chief Executive, Care England

Shifting from Crisis Response to Early, Community-Based Support

Sustainable reform requires moving away from crisis-driven interventions towards earlier, preventative support rooted in communities. This includes investing in approaches that maintain relationships, independence, and wellbeing, enabling people to remain in their own homes. Aligning ESG with prevention can reduce pressure on acute services and improve long-term outcomes. Without this shift, systems will remain reactive, costly, and unable to meet growing demand effectively.

Unlocking Quick Wins: Low-Cost Changes with High Social Value

Not all improvements require significant funding. Many impactful changes can be achieved through low-cost, practical actions – such as reducing waste, improving travel efficiency, or supporting ideas from staff and people using services. These quick wins build momentum and demonstrate that change is possible within existing resources. Without them, progress may feel slow or unattainable, reducing engagement and limiting wider transformation.



The moment people started seeing lots of red, it gave full transparency so we could start taking proactive steps to reduce our carbon footprint and to accountability.

Darren Klein - NACC Midlands Chairman, National Association of Care Catering (NACC)

Using Data and Lived Experience to Drive Continuous Improvement

Lasting change depends on combining data with lived experience to create a continuous feedback loop. Measuring areas such as outcomes, energy use, and service quality, alongside regular feedback from staff and people receiving care, helps organisations understand what works and adapt quickly. Sharing this learning supports ongoing improvement across the sector. Without this approach, services risk becoming static, with limited ability to respond to challenges or improve over time.

We have a responsibility to the young people coming into the care sector to show them how sustainable changes are being made.

Lara Bywater – Managing Director, LDC Care Co.



Key Takeaways

Embedding ESG as the Foundation of Social Care

- ESG should be integrated into core strategy, not treated as a separate initiative.
- People's rights, voice, and relationships must be central to how ESG is defined and delivered.
- Co-production is essential to ensure services reflect real needs and lived experiences.
- Social care should be recognised and valued as skilled, complex, and purpose-driven work.
- Everyday decisions should balance people, planet, and financial sustainability.

Creating a Culture of Dignity, Accountability, and Meaningful Change

- Genuine partnership with people who draw on care builds trust and improves outcomes.
- Measuring lived experience is as important as tracking performance metrics.
- Strong governance and accountability must focus on real quality of life, not just outputs.
- Tackling inequalities is critical to delivering fair and ethical care.
- Language and culture play a key role in shaping how care is experienced and valued.

Delivering Sustainable Reform Through Prevention and Practical Action

- Shifting from reactive to preventative care improves long-term outcomes and reduces system pressure.
- Community-based, early support helps maintain independence and wellbeing.
- Small, low-cost changes can deliver meaningful impact and build momentum for wider reform.
- Combining data with lived experience enables more responsive and effective services.
- Continuous learning and adaptation are essential for long-term sustainability and improvement.



Conclusion

ESG should not be viewed as an additional responsibility within social care, but as a fundamental framework for improving the quality, sustainability, and fairness of the sector. When embedded effectively, ESG supports better outcomes for people who draw on care and support, strengthens workforce wellbeing, and creates more accountable, resilient organisations.

This report has highlighted that meaningful ESG implementation must go beyond environmental targets alone. While sustainability remains important, equal attention must be given to the social and governance aspects. Social care cannot be truly sustainable if the people delivering and receiving care are not valued, listened to, and supported.

The recommendations in this report demonstrate that change does not always require large-scale reform. Small, consistent actions can create significant long-term impact. Recognising and building on what already works is essential for creating realistic and lasting progress.

Ultimately, ESG offers a pathway towards a more compassionate, ethical, and sustainable care system. By embedding these principles into everyday practice, policymakers, providers, and professionals can help create a future where social care is defined not only by efficiency, but by dignity, respect, and the quality of human relationships at its heart.



It is also good for every individual... we are training them for their life.

Geraldine Smith - Director, Coate Water Care