

Global Environmental, Social and Governance (ESG) Toolkit

by Practical Law

Toolkit | **Maintained** | Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, European Union, Finland, France, Germany, Greece, Hong Kong - PRC, Hungary, India, International, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Mexico, New Zealand, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, The Netherlands, United Arab Emirates, United Kingdom, United States

A toolkit to guide counsel working across jurisdictions through Practical Law's global content on environmental, social and governance (ESG) factors. The toolkit links to resources for use globally, in Australia and New Zealand, China, Canada, the EU, the UK, and the US. The terms corporate responsibility (CR), corporate social responsibility (CSR) and sustainability are also used to refer to ESG matters.

Scope Of This Note

What Is ESG?

General ESG Materials

[Introduction, Horizon-Scanning and ESG Guidance](#)

[Addressing ESG In Business](#)

Global ESG Materials By Topic

[Environment](#)

[Social](#)

[Governance](#)

Jurisdiction-Specific Toolkits

[Australia and New Zealand](#)

[Canada](#)

[China](#)

[EU](#)

[UK](#)

[US](#)

Scope Of This Note

This global toolkit links to Practical Law toolkits on environmental, social and governance (ESG) in Australia and New Zealand, China, Canada, the EU, the UK, and the US.

The toolkits provide links to key Practical Law materials on common ESG factors in the relevant jurisdictions.

What Is ESG?

ESG is an umbrella term for a broad range of environmental, social and governance factors against which investors can assess the behaviour of the entities they are considering for investment. ESG is the term often preferred by the investment world when using these types of factors to assess corporate behaviour, evaluate the future financial performance of companies (particularly in the long term), and to manage risk.

The terms corporate responsibility (CR), corporate social responsibility (CSR) and sustainability are also sometimes used to refer to a broad range of environmental and social responsibility behaviours demonstrated by businesses.

The following diagram illustrates the types of factors that are commonly included in the concept of ESG. However, the ESG factors that are relevant to a particular business will differ depending on the sector and the countries in which the business operates and its supply chain.

Examples of environmental, social and governance (ESG) factors



Environmental

- Climate change and greenhouse gas emissions
- Emissions to air, water and land, pollution and waste
- Biodiversity, deforestation and land use
- Energy efficiency
- Resource depletion (including water)



Social

- Human rights (including modern slavery and child labour)
- Health and safety
- Diversity and inclusion (D&I) and equal pay
- Conflict zones and conflict minerals
- Stakeholder and community engagement



Governance

- Bribery and corruption
- Executive pay
- Board independence, diversity and structure
- Conflicts of interest
- Anti-money laundering

© 2021 Thomson Reuters

General ESG Materials

This section links to resources that provide general ESG guidance. Some are relevant internationally or across many jurisdictions, although they may include some material that is specific to one jurisdiction.

Introduction, Horizon-Scanning and ESG Guidance

Practice note, Environmental, social and governance (ESG): an introduction (UK) provides an introduction to ESG, the increased interest in recent years and related work for lawyers.

Article, ESG in a complex world: immaturity exposed discusses how recent global upheavals expose the difficulties in applying a one-size-fits-all approach to ESG.

Video, Environmental, social and governance (ESG): what is it and what is the lawyer's role? (UK) is a discussion of the importance of ESG and the role of lawyers and consultants.

Practice note, ESG horizon scanning: policy and legal measures (UK) sets out the key legal and policy drivers on ESG for corporates and financial institutions. It covers international initiatives, as well as EU and UK initiatives.

Practice note, ESG horizon scanning: timeline of developments (UK) provides a series of high-level timelines focused on new and emerging ESG initiatives expected in the short-term and beyond. It covers international initiatives, as well as EU and UK initiatives.

Climate change and sustainability work by international financial services authorities: tracker (UK) sets out key developments on climate change and sustainability at an international level that impact on financial services firms.

Practice note, Environmental, social and governance (ESG) guidance: tools for companies and investors (UK) links to the key frameworks and guidance for businesses on ESG; the key tools for investors to use in integrating ESG issues into their investment decisions; and the key ethical indices and lists that compare businesses according to their ESG performance.

The June 2022 issue of PLC Magazine is dedicated to articles on topical ESG matters (see *PLC Magazine: June 2022* (UK)).

Key Developments in ESG and Climate Disclosure Tracker (US) sets out key developments regarding guidance and rulemaking issued by the US Securities and Exchange Commission (SEC) related to ESG and climate disclosure, changes affecting established reporting frameworks and standard setters, and efforts to create a global standard for sustainability reporting.

Addressing ESG In Business

Practice note, Developing a corporate responsibility (CR) strategy and CR reporting (UK) provides practical guidance for a business to develop a CR (CSR or ESG) strategy and report on relevant activity.

Climate change and ESG: practical first steps on governance and reporting for companies and boards (UK) identifies key practical steps for companies and the board to address governance and reporting on climate change and sustainability and provides a timeline of suggested actions in relation to governance, stakeholder mapping and communication, and reporting.

Practice note, Climate-related and environmental disclosures: guidance and voluntary reporting frameworks (UK) discusses voluntary reporting on environmental (including climate change) matters. It also considers some of the more prominent reporting schemes and commitments that companies can participate in.

Article, Responsible and sustainable business conduct: everyone's business (UK) sets out a strategic stakeholder, legal and risk governance approach to responsible and sustainable business conduct.

Practice note, ESG in private equity transactions: practical considerations (UK) offers practical guidance (from a lawyer's perspective) on ESG due diligence and the negotiation of ESG protections (including warranties) in transactional and equity documents.

Video, Key ESG considerations (1): company perspective (UK) discusses why companies need to take ESG seriously (including increasing investor pressure), what companies should do and independent verification of ESG performance.

Video, Key ESG considerations (2): investor perspective (UK) explains what has prompted investors to take ESG seriously, what investors are doing, the regulatory pressures on companies and related governance issues.

Article, ESG finance: investing in a brighter future (UK) aims to demystify ESG finance and sets out considerations for a company seeking to fund itself using ESG finance products, focusing on core loan and bond products.

Article, ESG standards and ratings: know the score (UK) considers how a company's performance against ESG criteria can be measured, including by the use of global standards and by ratings and reporting providers.

Practice note, ESG Disclosures & Sustainability Reporting Frameworks (US) discusses ESG issues, voluntary sustainability disclosure guidelines and reporting frameworks, and third-party ESG reporting and ratings firms.

Article, Rise of the Chief Sustainability Officer Role (US) explores the Chief Sustainability Officer role of SEC-reporting companies and how it has evolved in the last decade.

Article, Addressing Social Justice Issues: Implications for the Board (US) discusses the current pressures on companies to address issues of social justice and the key implications for boards.

Article, Corporate Social Responsibility, Corporate Sustainability, and the Role of the Board (US) explores the role of the board of directors regarding corporate social responsibility and corporate sustainability issues.

Practice note, Competition Law and Sustainability (Global) discusses the current state of play of sustainability in the context of competition law in several key jurisdictions.

Global ESG Materials By Topic

This section links to resources that provide multi-jurisdictional or cross-jurisdictional ESG guidance on individual ESG topics. The resources are relevant internationally or across many jurisdictions, although they may include some material that is specific to one jurisdiction.

Environment

Environmental factors relate to how a company performs as a steward of the natural environment. For resources that are relevant in any or many jurisdictions, see:

- *Environment Global Guide*.
- *Quick Compare: Environmental Reporting and Liability*.
- *Major Projects: Environmental Risks Global Guide*.

- *Practice note, Climate change litigation (UK).*
- *Practice note, UNFCCC, the Kyoto Protocol and the Paris Agreement (UK).*
- *Practice note, Task Force on Climate-related Financial Disclosures (TCFD): recommendations for disclosing climate-related financial information: overview (UK).*
- *Practice note, Habitats and wildlife: international conventions (UK).*
- *Practice note, Environmental policies (UK).*
- *Practice note, Climate-related and environmental disclosures: guidance and voluntary reporting frameworks (UK).*

Social

Social factors relate to how a company manages relationships with its employees, suppliers, customers, and the communities it operates in. For resources that are relevant in any or many jurisdictions, see:

- *Employee Share Plans Global Guide.*
- *Employment and Employee Benefits Global Guide.*
- *Note for the board on Guiding Principles on Business and Human Rights (UK).*

Governance

Governance factors relate to the company's leadership, executive pay, audits, internal controls and shareholder rights. For materials that are relevant in any or many jurisdictions, see:

- *Corporate Governance and Directors' Duties Global Guide.*
- *Practice note, Climate change and ESG: practical first steps on governance and reporting for companies and boards (UK).*
- *Video, Company secretary: how you can facilitate ESG and governance integration (UK).*
- *Practice note, Corporate governance: key developments tracker.*
- *Conflicts of Interest Toolkit.*
- *Practice note, Anti-corruption regimes in the UK and US: a comparison of the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977.*
- *Anti-money laundering toolkit: International AML resources.*
- *Russia Sanctions and Related Considerations Toolkit.*
- *Practice note, Note for the board on anti-corruption: Cross-border.*

- *Standard clause, Anti-bribery and corruption standard clause.*

Jurisdiction-Specific Toolkits

Australia and New Zealand

Environmental, social and governance (ESG) toolkit: Australia and New Zealand links to Practical Law's key resources on ESG issues and regulation in Australia and New Zealand.

Canada

Environmental, Social and Governance (ESG) Toolkit: Canada links to the key Practical Law content on common ESG factors and regulation in Canada.

China

Environmental, Social and Governance (ESG) Toolkit: China links to the main Practical Law resources on common ESG factors and regulation under the law of China.

EU

Environmental, social and governance (ESG) toolkit: EU links to key Practical Law resources on common ESG factors and regulation under EU law.

Practice note, A guide to key resources: sustainable finance signposts Practical Law content on sustainable finance, focusing on the UK and the EU.

UK

Environmental, social and governance (ESG) toolkit: UK links to key Practical Law UK resources on common ESG factors and regulation, focusing on the law of England and Wales, although many of the resources are relevant to the whole of the UK.

Practice note, A guide to key resources: sustainable finance signposts Practical Law content on sustainable finance, focusing on the UK and the EU.

US

Environmental, Social, and Governance (ESG) Toolkit: US links to resources that provide specific ESG and CSR guidance broken down by topic, focusing on US law. It also includes non-ESG-specific resources that may assist counsel in developing and implementing ESG programs.

ESG Disclosure Toolkit links to resources that assist issuers and their counsel in navigating the increased attention on corporate sustainability, climate risk, and other ESG issues and disclosure and reporting requirements in the US.

ESG in the Supply Chain Toolkit links to resources focused on ESG-related supply chain issues and compliance in the US.

END OF DOCUMENT
