

# ESG: ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

## WHAT IS ESG?

ESG stands for environmental, social and corporate governance. It is an evaluation of a business's collective conscientiousness for social and environmental factors.

Businesses will typically receive a score that is determined by the data collected surrounding specific metrics and is often considered a type of 'corporate social credit score'. These usually fall under the categories of environmental concerns, social concerns, corporate governance concerns and responsible investment.

In just two decades, the ESG movement has grown from a corporate social responsibility initiative launched by the UN into a global phenomenon representing more than US\$30 trillion in assets under management.

And so environmental, social and corporate governance is good for business.

## ESG METRICS

Examples of ESG metrics include (though are not limited to):

- Environmental concerns
  - Climate crisis
  - Sustainability
- Social concerns
  - Diversity
  - Human rights
  - Consumer protection
  - Animal welfare
- Corporate governance concerns
  - Management structure
  - Employee relations
  - Executive compensation
  - Employee compensation
- Responsible investment
  - Investment strategies
  - Institutional investors
  - Principles for Responsible Investment
  - Equator Principles

[Beringea](#) has provided The Better Business Network with two documents that help explain ESG and their ESG\_VC initiative further:

- [Enabling Venture-Backed Businesses To Understand and Tackle ESG](#)
- [The ESG\\_VC Measurement Framework](#)

## USEFUL LINKS

- What Are ESG Criteria?:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/835214/Sep\\_2019\\_bulletin.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/835214/Sep_2019_bulletin.pdf)
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