July 2020

ESG IMPLEMENTATION GUIDE:GETTING STARTED

Perspectives, guidelines, and practical tools to help companies launch environmental, social, and governance (ESG) programs and develop disclosures

SOCIETY *for* Corporate Governance

About the Society for Corporate Governance

Founded in 1946, the Society is a professional membership association of more than 3,600 corporate and assistant secretaries, in-house counsel, outside counsel, and other governance professionals who serve approximately 1,700 entities, including 1,000 public companies of almost every size and industry. Society members are responsible for supporting the work of corporate boards of directors and the executive managements of their companies on corporate governance and disclosure matters.

For more information, please visit **societycorpgov.org/home.**

About Curley Global IR, LLC (CGIR, LLC)

Headquartered in Savannah, Georgia, CGIR, LLC is a strategic advisory firm providing investor relations, ESG, and corporate governance counsel. The firm's goal is to ensure public companies—and those about to go public—have the right investor relations, ESG, and governance frameworks in place, targeting the right audiences and balancing appropriate risk mitigation.

Sally J. Curley, IRC, founder and chief executive officer, has more than 30 years of business experience working for and representing companies in numerous industries. As senior vice president, investor relations, for Cardinal Health, she cofounded and cochaired the company's first cross-functional ESG committee. Her professional awards include being named a top investor relations officer in her industry by *Institutional Investor*, named to *Treasury & Risk's* "30 Outstanding Women in Finance," and awarded two separate lifetime achievement awards for excellence in investor relations. Sally currently sits on the advisory board of MOBILion Systems, Inc., and on the board of Human Health Project, a global nongovernmental organization.

For more information, please visit **https://curleyglobalir.com.**

About Carlow Consulting, LLC

Based in Columbus, Ohio, with operations primarily in Washington, DC, Carlow Consulting, LLC provides consulting services on corporate governance best practices, ESG and diversity, and federal legislative matters. The business advises investors, public and private companies, nonprofit organizations, and membership organizations.

Carol Nolan Drake, JD, founder, and president/chief executive officer, has more than 30 years' experience in state and local government, including service with three governors of the state of Ohio in senior-level positions. In addition, Carol spent more than 10 years in roles of increasing responsibility with a large institutional investor, including service on the organization's board of trustees. She has received four resolutions from three Ohio governors for excellence in public service; was a two-time nominee for the Neil V. Toth Leadership Award; and received the Business and Professional Women's Outstanding Woman in the Legal Profession Award. A licensed attorney, Carol has served on many quasi-governmental, nonprofit, and governance boards.

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THE FINANCE HUB

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Contents

Welcome to the Society's First ESG Implementation Guide!

Why ESG, and why now? Increasing shareholder and stakeholder* focus—driven by a desire to minimize risk, increase shareholder value, and/or contribute to solving environmental or social problems—has given rise to sustainable investing.[1] Client and CEO letters in 2020 from BlackRock[2] and State Street[3]—two of the world's largest institutional investors—focused on ESG topics, and influential organizations such as the Business Roundtable[4] and World Economic Forum[5] have weighed in on stakeholder relations and ESG disclosure. The US Securities and Exchange Commission (SEC) addressed the topic of ESG disclosure in its Investor Advisory Committee[6] meetings during the course of 2019 and 2020 and in Commissioner speeches in 2019 and 2020. It also included a reference to a key ESG concept (human capital management) in a recent proposed rule revision.[7]

The purpose of this guide is to provide corporate professionals charged with tackling ESG programming, risk management, and disclosures with a lens through which they may:

1. ask questions relevant to their business model, their culture, their stakeholders, and the competitive landscape;
2. find the right balance between fulsome and excessive disclosure, which could lead to competitive disadvantage and additional legal exposure; and
3. use these resources to develop an initial ESG strategy, infrastructure, and reporting framework.

This guide is not meant to be all-encompassing. Rather, it is meant to provide companies with practical tools for developing and implementing an ESG program. It is also meant to build on the Society's 2018 publication, *The ESG Roadmap*.[8]

Every ESG program is different—there is no one-size-fits-all approach. Relevant ESG disclosures depend on a variety of factors, including a company's industry and business, life cycle, current situation, cultural appetite for change and disclosure,

* Stakeholders may be employees, investors, customers, suppliers, partners, regulators, or the communities in which organizations operate.

and—crucially—communications with, and feedback from, relevant stakeholders. For example, some companies may identify a particular human capital management policy as significant enough to publish; others may see it as an internal management policy and choose not to disclose it publicly. Either approach may be appropriate, depending on the company's ESG objectives and desired position.

The most credible ESG programs include **reportable, repeatable, and auditable** data.

Regardless of an organization's appetite for adoption and disclosure of ESG factors, a corporate ESG program should always be authentic. While one company may decide that it is enough to receive an acceptable score from an ESG rater/ranker, another may choose to build a more comprehensive ESG program, using the appropriate evaluation lens to identify a set of business-relevant initiatives and set parameters for any related disclosure.

In the pages that follow, we provide just such a lens, including key questions to ask during each stage of the development process. We also present specific topics, policies, and processes to consider when designing and implementing an ESG program. And, because of our respective corporate and investor backgrounds, we provide distinct viewpoints.

We hope that you find this guide useful as you begin your ESG journey.

Respectfully,
Sally J. Curley, IRC, and Carol Nolan Drake, JD

The Bottom Line: It's about Risk Mitigation

Call it the business case, call it a screen for filtering relevant ESG factors, call it a stakeholder-management device. Regardless of the driver, decisions regarding ESG risks, opportunities, and related disclosure come down to a candid evaluation that should take into account shareholder and stakeholder perspectives.

The evaluation must consider the factors with the greatest potential to adversely affect a company's business, along with the adequacy of the procedures and programs in place to mitigate those risks. For example, within the environmental (E) category, investors, employees, and regulators may want to know that a company has an environmental management policy with a focus on reducing a company's carbon footprint or addressing the risks of a low-carbon transition. Within the social (S) category, employees may want to know that their employer has a strong diversity and inclusion policy and focus. Investors and customers may wish to ensure that a company has appropriate policies against modern slavery, particularly with respect to its supply chain, as well as a vendor/supplier code of conduct. Within the governance (G) category, many constituents—particularly institutional investors—focus on board oversight as a predictor of the board's exercise of its fiduciary duty. For example, board oversight of cybersecurity risks was a hot topic in 2019 and continues to be in 2020.[9]

Trust and ESG Go Hand in Hand

The 2019 Edelman Investor Trust Barometer* surveyed more than 600 investors and found that:

- 84% agreed that corporations need to have a multistakeholder commitment
- 61% of investors indicated they increase their investment allocation to companies that excel on ESG factors
- 57% said they voted shares more often for board candidates who they expect to increase the company's attention to ESG issues
- 87% agreed with the statement "my firm has changed its voting and/or engagement policy to be more attentive to ESG risks"
- 53% indicated they vote shares more often to support ESG-related policy initiatives
- 47% indicated they would assess corporate culture by "speaking with current employees at all levels"
- 85% believe that companies are unprepared for political risks

* "Edelman Trust Barometer Special Report: Institutional Investors," Edelman, December 4, 2019, https://www.edelman.com/research/2019-edelman-trust-barometer-special-report-institutional-investors.

The examples above illustrate that—no matter the investor or stakeholder group—ESG factors are being used to evaluate companies' exposure to and ability to withstand significant business and reputational risks and to deliver their products in a manner consistent with shareholder and stakeholder expectations. This is perhaps the clearest lens through which companies can identify appropriate ESG-related initiatives and disclosures. See Figure 1, "Five Steps to ESG Implementation," to begin. Additional information on issues related to reputation and intangible value may be found starting on page 11 of the 2018 *ESG Roadmap*, published by the Society and BrownFlynn.[11]

***ESG Matters: 10 Reasons You Should Care about ESG*, a 2019 equity and quant strategy report from Bank of America,[10] underscores our point:**

"Major ESG-related controversies during the past six years were accompanied by peak-to-trough market capitalization losses of $534 billion for large US companies. Loss avoidance is key for portfolio returns over time."

"Just like consumers have credit scores, companies pay different rates depending on their risk profiles. The cost of debt for 'good' versus 'bad' companies based on ESG scores can be nearly 2 full percentage points lower."

FIGURE 1

Five Steps to ESG Implementation

1 **Step 1: Conduct a Readiness Assessment**

2 **Step 2: Establish a Governance Structure**

3 **Step 3: Conduct Inventory and Assess Data Collection and Governance Practices**

4 **Step 4: Decide What to Disclose**

5 **Step 5: Determine Communications Channels**

Step 1: Conduct a Readiness Assessment

To maintain alignment with a company's long-term business strategy, we suggest that boards and management ask the following key questions before deciding whether to implement an ESG program and before making any related disclosures.

Q: What is the ultimate goal of an ESG approach in the first year? In the fifth year?
A: Whether the company seeks to be a leader or closer to the mean is critical to appropriately structuring and resourcing any ESG program. Many companies begin their efforts with a certain level of performance or rigor in mind, but revise their expectations as they gain more information internally and externally (from investors and/or stakeholders).

Q: What ESG risks and/or opportunities need to be managed and disclosed?
A: Management team members must take stock of their current understanding of ESG risks and opportunities, the relevant investors and/or stakeholders, and any existing risk-management and/or disclosure practices. Since ESG risk management and reporting affect a range of critical groups (including investors, employees, customers, proxy advisers, and ESG raters/rankers), companies must understand the ESG risk they seek to address, identify their principal audiences, and consider how the firm plans to approach ESG longer term, with the aim of continually improving its value proposition. Significant ESG risks will be different for each company; therefore, it is critical to carefully examine those risks through the same lens and processes as the organization would use for any material disclosure. This baseline understanding will position the company to prioritize and inform its next steps.

Q: Does the company have the resources to build an ESG program from scratch and maintain it going forward?
A: Building an ESG program that isn't properly supported or advanced over the long term could put the company's reputation at risk and position the company as a target for an ESG-related shareholder proposal. Investors will detect the lack of resources, commitment, and progress. Appointing a high-level internal ESG champion is the best way to ensure a program's long-term success.

Q: How should the ESG program be structured? Will the leader/team be dedicated exclusively to ESG activities or maintain other responsibilities?
A: The optimal structure to oversee the effort depends upon the organization. Ideally, the ESG executive would have a strong command of the company's business strategy, the gravitas within the organization to advance initiatives, and the ability to coordinate with the general counsel/corporate secretary and the investor relations team regarding current investor engagement and disclosure. Ideally, from an organizational perspective, the role would report to the C-suite and the board on ESG initiatives. Whether that executive would focus on ESG exclusively or part time depends on the organization's size, culture, and resources. We've seen a variety of scenarios, which may be categorized into four buckets:

- C-suite oversight of the ESG program, with a dedicated chief sustainability officer reporting to them;
- A dedicated chief sustainability officer who also oversees the ESG program and serves as the most senior internal champion;

- A senior-level person who handles ESG in addition to other responsibilities; and
- A manager- or director-level individual dedicated to ESG matters.

If the ESG leader has other responsibilities, the company should consider whether this part-time focus will impede progress, whether because the effort requires more time than the leader can give or because the appointed individual may prioritize other responsibilities ahead of ESG-related ones. The company should consider whether the individual is senior enough and has the gravitas to foster needed internal collaboration, provide oversight, and make sometimes difficult decisions to advance initiatives.

When assessing proposed ESG initiatives, leaders should consider the following:

- Will the proposed plan advance the company's business strategy by addressing internally recognized risks?
- Is this an initiative that would require the company to change all or part of its business model? If so, what are the pros and cons?
- Would the initiative place the organization, in any way, at a competitive disadvantage?
- Would the initiative enhance real—versus perceived—risk? If so, is the risk worth taking?
- Is the initiative designed to minimize exposure to litigation and regulatory risk, including with respect to any contemplated initiatives and/or disclosure?
- Is the company being appropriately categorized with respect to its industry and characteristics by ESG raters, rankers, proxy advisers, and the Sustainability Account Standards Board (SASB), Global Reporting Initiative (GRI), and Task Force on Climate-related Financial Disclosures (TCFD) frameworks?
- Does the company have systems in place to ensure that all disclosures, to the extent possible, are reportable, repeatable, and auditable?

Vet ESG Disclosures Carefully

Experience suggests that all disclosures—whether ESG-specific or not—should be vetted through the same process as SEC-filed disclosures. Ideally, these would stand up to an audit review with identifiable sources, tracking, and defined metrics, where applicable.*

In addition, company executives should always remember that ESG disclosures, whether in SEC filings or not, are subject to SEC rules, exposing the company to potential liability.

* For a preview of what ESG assurance data could look like in the future, see "A Buyer's Guide to Assurance on Non-financial Information," WBCSD, November 20, 2019, https://www.wbcsd.org/Programs/Redefining-Value/External-Disclosure/Assurance-Internal-Controls/Resources/A-buyer-s-guide-to-assurance-on-non-financial-information.

The answers to these questions will help leaders assess how prepared an organization is to begin developing an ESG strategy and whether it can commit the resources required to maintain an appropriately sized ESG program over an extended timeframe. Many companies have implemented successful ESG programs using existing, or relatively few additional, resources.

Step 2: Establish a Governance Structure

Companies that decide to move forward with ESG implementation will need to establish clear decision rights, accountabilities, and oversight. The two action items outlined below are intended to guide companies through this foundational exercise.

Establish a management-level ESG committee. Variations on this theme can occur depending on the company's culture and organizational practices. However, any ESG committee should:

- represent a cross-functional group of senior leaders encompassing key operational risks/opportunities;
- include disclosure and investor/stakeholder perspectives;
- include responsibility for strategy development in its charter or charge;
- meet regularly to evaluate progress and consider any related strategic adjustments; and
- report periodically on the company's ESG activities to another body within the organization.

In our experience, this work is most effective when it is overseen by a disclosure committee, but ultimately each company has to make its own decision about how to structure the work. The committee should also report periodically to the company's board of directors (see below for details). This structure will depend greatly on the culture, skill set, and individual capacity within an organization. This works well when the ESG committee is led by two co-chairs who work closely with the individual selected to manage the company's ESG initiatives.

Establish board oversight. Given that an investor's ESG lens includes risk mitigation, standard practice for ESG disclosure is evolving to include clearly defined board oversight, although there is currently no consensus on approach. Over 70 percent of respondents to a May 2019 survey of Society public company members indicated that their boards oversee ESG activities (Figure 2). While most respondents said that oversight in their companies rests with the full board or the nominating and governance committee, others said that their organizations delegate ESG oversight to a specific ESG or sustainability committee, or matrix out specific ESG topics to different board committees (such as the risk, audit, or HR committee). Regardless of the structure, investors want clarity regarding the board's role and accountability in ESG evaluation and oversight.

Board oversight of ESG issues should be informed by answers to the following questions:

- How will directors fulfill their fiduciary duties under applicable laws? These duties include the duty of care, the duty of loyalty, and the duty to oversee significant ESG issues that represent material risks for the company.
- How would the board deal with disruption relating to an ESG risk, such as business

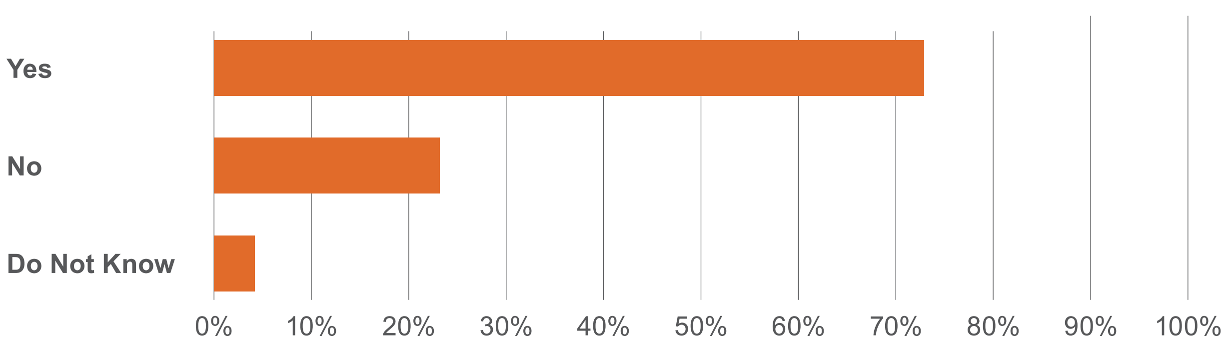
model, reputational, or personnel loss? Does the company have formal mitigation plans in place with respect to the identified environmental and social risks?

- If the board has directors with ESG-related expertise, would it be valuable for them to participate in oversight?
- What ESG-related information is likely to be disclosed?
- What board committees, if any, already oversee issues related to ESG risks?
- Is the company familiar with all of its key stakeholder groups, including those with an ESG focus? What are the most meaningful groups with which the board should consider engaging?
- Are ESG-related topics included in ongoing director-education efforts?
- Do annual board evaluations encompass relevant ESG risks and opportunities?
- Is the company familiar with the institutional investors who are influential in driving ESG disclosures and may have ownership in the company?

FIGURE 2

Does the Board or a Board Committee Oversee Your Company's E&S Activities?

n = 145



Source: May 2019 survey of Society for Corporate Governance public company members

Step 3: Conduct Inventory, and Assess Data Collection and Governance Practices

We strongly suggest that companies bear in mind the adage “garbage in, garbage out” when conducting an inventory of existing ESG-related practices. The quality and detail of the data collected from the onset is key to informing decision-making. We suggest the following steps to begin this data collection process.

Generate a comprehensive inventory of the company’s internal efforts. A deeper dive than the initial inventory contemplated under step 1, generating a comprehensive inventory is likely to be a labor- and time-intensive task. The individual(s) in charge of the assessment need experience in project management and (ideally) a background in ESG. This will ensure that they can educate internal stakeholders about the process and ask the right questions to unearth relevant data.

To identify potentially relevant issues, risks, and opportunities, company leaders can review the SASB industry standard(s) applicable to their business(es) and the SASB “Materiality Map,” which provides a useful overview of ESG disclosure topics across relevant industries.[12]

Business leaders can also request company report(s) from ESG ratings firms (ERFs) such as MSCI, Sustainalytics, and from proxy adviser Institutional Shareholder Services (ISS) to see the same information that investors and stakeholders see. These reports do not necessarily focus on the ESG risks and opportunities that are most relevant to each business, but they offer a useful starting point. ISS ESG (the responsible investment arm of ISS), MSCI, and Sustainalytics have procedures that allow companies to review their reports or verify the data on which the reports are based. Historically, MSCI[13] and Sustainalytics have provided issuers with access to free reports; ISS allows issuers access to E&S and governance scores via the ISS online portal.

Develop an ESG information and data framework to capture, collate, and track relevant data, whether or not the company will disclose that information. This allows companies to establish a baseline, ascertain progress, and provide the ESG committee, C-suite, and board with relevant reporting data points and trends.

Implement the proper protocols to ensure data is reportable, repeatable, and auditable. As investors more frequently rely on ESG information in their investment and voting decisions, sound data practices will help satisfy market expectations for accuracy and (increasingly) auditability. They will also help reduce the company’s litigation risk.

Step 4: Decide What to Disclose

Once company leaders have completed their inventory of initiatives and developed a system for collecting and validating ESG data, they need to identify which data points, events, goals, or accomplishments to disclose. This step should take investor and stakeholder priorities into account. It also should include assessments of which ESG data has already been disclosed (if any), any applicable legal disclosure requirements, and any legal risks or benefits associated with the proposed disclosure.*

Scrutinizing Qualitative Statements

Qualitative statements are not as easy to measure as quantitative statements. The following provides an example of pressure-testing a qualitative statement.

In its 2018 ESG report, Company X indicated that it had made a "significant contribution" to its employee benefits program and provided a few examples—not a comprehensive list—of those benefits. Discussions with the company's C-suite in 2018 yielded a verbal agreement among leaders that "significant" meant at least five benefits, but this was not publicly defined. In 2019, a CEO change and a subsequent conversation about the development of the company's 2019 ESG report led to a redefinition of "significant" to mean at least three benefits. Clearly articulating changes in definition—and perhaps documenting the changes—is helpful for future disclosures.

* Competent, reliable, and forward-looking ESG risk management and board oversight combined with disclosure responsive to investor and stakeholder perspectives will provide the greatest value. ERF ratings can be important, but without a cohesive approach to ratings and rankings among providers, we caution against designing an ESG program solely to drive improvement in ratings or rankings. Society staff can help connect companies with the right people at ERFs. For more information, email gmartin@societycorpgov.org.

The voluntary ESG disclosure frameworks described below are quite helpful in identifying the ESG issues that are likely to be most relevant to a company's industry. Investors' ESG voting policies and engagement priorities are also useful resources for making these determinations. As emphasized previously, each company must determine which issues and disclosures are appropriate for its particular business. No organization can, or should, report on all possible ESG topics; it is best to focus disclosure on topics that stakeholders—particularly investors, in this case—will deem valuable as they relate to long-term shareholder creation. It is also important to remember that, as always, disclosure comes with certain risks.

For a detailed review of legal risks specific to ESG Disclosure, see the Society's *ESG Legal Update: What Corporate Governance and ESG Professionals Need to Know*.**

For additional information regarding frameworks and information to consider, see "Implementation" on page 19.

Reporting Frameworks

GRI and SASB are emerging as the two most heavily used reporting frameworks. BlackRock and Vanguard favor SASB and TCFD as frameworks, and State Street Global Advisors has created its own R-Factor rating based on SASB's "Materiality Map." TCFD is particularly relevant for climate change. For more information on accessing and using these resources, see "Widely Used Voluntary Disclosure Frameworks and Related Initiatives" on page 20.

** *ESG Legal Update: What Corporate Governance and ESG Professionals Need to Know*, Society for Corporate Governance and Gibson Dunn, June 2020, http://scsgp.informz.net/SCSGP/data/images/ESG/SCG-ESG%20primerReport_V8b.pdf.

Step 5: Determine Communication Channels

After determining key investor and stakeholder audiences (Figure 3), companies will need to identify the most important communication channels in reaching those audiences.

Consider creating a dedicated ESG report or microsite. The report should contain valuable, specific data to avoid rating too high on the "puppies and flowers" index.[14] The increasing prevalence of bots and web-scraping programs used by investors and ERFs that compile corporate (including ESG) information makes the company's choice of posting on a corporate website an important one. For example, should the company post its ESG report in PDF format or in digitally native HTML or Java content? Companies should consider how to optimize internet-based disclosure to maximize the probability that such disclosure is actually read and absorbed by the intended audience(s).

Determine whether the company will create an integrated report. This report may, but is not required to, take the form of an SEC filing. Integrated reports are less common in the United States than in the European Union and the United Kingdom, where laws and investor expectations encourage them. US companies are more likely, currently, to provide an ESG or corporate responsibility report distinct from 10-K/annual reports and/or proxy statements, which typically contain some—but generally not all—ESG information disclosed by a company.

Leverage the company's website and social media capabilities. Social media has become a bona fide communications channel for numerous public companies and can strengthen a company's sustainability story when used carefully. Strong consideration needs to be given to how disclosure will be vetted before posting, as well as who will be responsible for maintaining the company's social media communications, since social media is more continuous and fluid than other traditional communications methods. In addition, we strongly recommend that companies create a social media policy, separate from but related to their Regulation Fair Disclosure (Reg FD) communications policy, and that employees be trained periodically on both policies.

FIGURE 3

Potential Audiences for ESG Disclosures

Source: *ESG Disclosure Handbook*, WBCSD, April 2019, https://www.wbcsd.org/Programs/Redefining-Value/External-Disclosure/Purpose-driven-disclosure/Resources/ESG-Disclosure-Handbook

Consultants: To Hire or Not to Hire?

Companies with limited resources may want to consider engaging an external consultant to assist with the process steps outlined above. There are a number of excellent consulting firms available, each with a different approach, intent, and cost structure.

Before interviewing consultants, company leaders should review the one-year and five-year objectives identified in Step 1 on page 6. Is the company tightly focused on improving its ESG score from an ERF/proxy adviser or does it have another specific objective? Or is this part of a larger cultural shift related to corporate purpose, supported by the board and senior management? To maximize the chances of a successful consultant engagement, a company should have a sense of the role of the consultant on the spectrum from disclosure assistance all the way to the creation of a bespoke ESG program.

The following questions can be helpful in interviewing potential ESG consultants:

- How long have you been advising on ESG? This is a key question because a number of firms have launched ESG offerings during the past 24 to 36 months. While these firms may have long-established practices in other areas, be careful to ask them specifically how long they have been offering an ESG solution. The may not have the breadth and depth of experience that is being sought. In sum, beware of the “cottage industry” effect.
- What is your overall philosophy and approach to the ESG project(s)? Do you focus more on environmental or social issues, or do you take a more holistic governance approach? When choosing an ESG consultant, the corporate should consider which stakeholder issues and groups are most relevant and influential with respect to its company.
- If seeking the consultant’s assistance to develop an ESG program: Can you provide specific instances in which your recommendations have been implemented successfully? Examples could include such accomplishments as cultural adoption of ESG, improvement in shareholder engagement, actions related to a reduction in environmental footprint, board oversight, improvement in ESG ratings/rankings, or a reduction in shareholder activism.
- If seeking the consultant’s assistance with ESG reporting: Can you provide examples of ESG reports or microsites you’ve worked on? Which ESG disclosure frameworks have you employed (SASB, GRI, bespoke)? Beware of firms that are not well versed in ESG-related reporting frameworks, proxy advisory voting guidelines, and ERFs.
- Do you have recent references that can be contacted? Ensure that the references are not just at a high level within a company, but at the level where the work has actually been performed. This is key to avoiding cronyism and ensuring that appropriate credit is given for the work.

A Word about Investors:

The investor perspective on ESG issues is an important one. Accordingly, we always recommend that companies review at least their top 25 shareholders and other influential institutional investors (who may not appear on the top holdings list) to understand their perspectives on ESG issues relevant to the company. Many shareholders will have been vocal with the company already on specific ESG issues. The larger institutional investors and fund managers also post a great deal of information on their websites regarding voting approaches and expectations for meetings with issuers.

We also recommend that companies leverage the SASB's "Engagement Guide for Asset Managers." Many portfolio managers/analysts have begun using this guide—by industry subsector—in discussions with public companies. As previously noted, BlackRock, Vanguard, and State Street have "adopted" SASB, in some form, as their preferred disclosure framework and have recommended such to companies.

Execution: Investor Expectations and Implementation

Once a company has established appropriate governance, data collection infrastructure, and disclosure systems for its ESG initiatives, it can focus on execution. In the discussion that follows, we highlight issues frequently considered to be ESG-relevant by corporates and investors.

Investor Expectations

A growing number of investors are focusing on ESG issues, including global institutional investors, public pension funds, asset managers, foundations, endowments, and corporate- or labor-retirement funds. Other investors who focus on aspects of ESG within company- and/or sector-specific areas include private-equity firms, hedge funds, and asset managers/financial institutions. Some well-known individual investors have expanded their focus to advocate for ESG changes at specific companies or within certain sectors—for example, seeking changes related to climate risk disclosure, human capital management, or supply chain governance. Investor requests for information and engagements with company representatives have been growing steadily, including among investors with passive investment strategies, who must rely on dialogue and engagement to effect change within their portfolio companies.

Thoughts on Engagement

While engagements may have leaned heavily toward governance (G) issues in the past, investors have been pursuing more disclosure and related actions on environmental and social issues in recent years. Due to the large number of holdings in their portfolios, many investors will need to prioritize where they can best enhance their ESG objectives. Investors will generally request engagement on a case-by-case basis as they screen for ESG issues relative to their own criteria; that is, the investor's investment plan and corporate governance strategies. The outreach may be initiated by one investor or a group of like-minded investors[15] who collectively use a portion of their holdings in the company to effect change.

Engagement is a two-way street, however, and investors are increasingly responsive to requests from companies. They welcome company-initiated requests for select engagements with board members or C-suite officers as a way for both sides to understand the other's perspective well before the next proxy season. Investors will want to hear a company's viewpoint during a proxy contest initiated by a dissident investor, but that will be a challenging conversation if that is the first time a company has reached out to its key investors. After proxy season, investors will often be responsive when a company reaches out to discuss the ESG issues that came up. Additionally, such off-season investor engagements can be instrumental in guiding a company as it devises its ESG reporting strategy.

Not all companies have E, S, *and* G issues, so investors need to determine where to focus their limited resources in discussions with the

We recommend that both parties be strategic in identifying attendees for the engagement; both parties should select individuals with the subject-matter expertise and interpersonal skills necessary to foster an open exchange. Not every issue requires the participation of a board member.

company. Many investors have told us that a lack of response from an investor to a company's request for a meeting generally indicates a degree of comfort on the part of the investor. In other words, companies shouldn't take a lack of response personally.

Preparing for Engagement

Institutional investors who hold equity or indexed investments over the long term are good candidates to cultivate relationships with, even if their ownership in the company is less than 1 percent. These investors have corporate governance policies and/or proxy voting guidelines[16] that are published to highlight their E, S, and G priorities. The largest institutional investors disclose their engagement priorities to help companies on shareholder engagement generally and on ESG-related engagement in particular. The adoption of stewardship codes across the world and the increased expectations placed on large asset managers have prompted more investors to publish their annual proxy voting results and the long-term philosophy that guides their fiduciary commitment to beneficiaries.

We recommend that both parties be strategic in identifying attendees for the engagement; both parties should select individuals with the subject-matter expertise and interpersonal skills necessary to foster an open exchange. Not every issue requires the participation of a board member. The proper level of participation should be based on the issue(s) to be discussed. Accordingly, the company must learn about the investor's engagement priorities, corporate governance policy, proxy voting guidelines, and previous votes on ESG issues.

Company Preparation Recommendations

The following actions can help companies prepare for a productive engagement on ESG-related matters:

- Ascertain the investor's financial interest in the company, including equity, fixed income, and investments held by external managers.
- Review the investor's corporate governance polices, proxy voting guidelines, and published engagement priorities before scheduled conversations, meetings, or calls.
- Research the investor's voting patterns in recent proxy seasons and note any changes in voting behaviors related to ESG.
- Identify important investor and noninvestor stakeholders that the company should build a relationship with beyond proxy season.

- Be prepared to explain how the company determines which ESG issues are most significant to its business.
- Evaluate the company's adherence to specific ESG standards or the adoption of policies or statements that may be endorsed by national or international investor or corporate groups (for example, the Roundtable on Sustainable Palm Oil, the UN's Sustainable Development Goals, or the Paris Accord on Climate Change).
- Be prepared to discuss the makeup of the board, including gender and minority representation, and the board's approach to diversity in recruiting new members, tenure, independence, and its evaluations.
- Review the senior leadership team's executive remuneration and other compensation, as well as any links to ESG performance. Determine how the investor voted on company "say on pay," stock buybacks, and shareholder proposals submitted by employees.
- If applicable, understand the rationale for the company's dual-class share structure and consider if the board and management will be implementing sunset provisions.

Proxy Voting Decisions

Rising demand for ESG information has been triggered by the clear recognition among investors that effective management and disclosure of E, S, and/or G issues can help mitigate risk. As investors increasingly look to the long term, they are aligning proxy voting, engagement efforts, shareholder proposals, and collaboration with other investors to seek permanent and beneficial changes.

Investors may own thousands of public companies. For institutional investors, proxy voting is a fiduciary duty—one that is undertaken with the beneficiaries in mind. Discerning key pieces of ESG disclosure within the proxy materials and ESG reports can be time consuming, and many investors lack the substantial staff and budget resources required to internally vote every proxy according to an investor's proxy-voting guidelines. As a result, many investors pay for research and reports generated by proxy advisers such as ISS, Glass Lewis, or Egan-Jones.[17] Each proxy adviser applies its own proxy-voting guidelines when making voting recommendations. Investors may adopt the guidelines provided by ISS, Glass Lewis, or another proxy advisory firm, or use their own guidelines on a case-by-case basis.

ISS has developed a proprietary business, ISS ESG, that analyzes and ranks company ESG performance. Glass Lewis provides ESG analysis performed by Sustainalytics, which was fully acquired by mutual-fund-rating agency Morningstar in July 2020. Staying abreast of annual changes in proxy adviser guidelines can help companies avoid surprises and make informed decisions about contemplated changes or additions to ESG disclosure.

Implementation

ESG focus has accelerated steeply during the past 36 months, with an abundance (and some would suggest an overabundance) of information to sort through. So how do you and your organization begin? There are hundreds of topics that are potentially reportable. What makes the most sense for your organization?

As explained in step three above, it is fundamental to ascertain what you currently *do* in each of the areas. For many companies this is a daunting task; this is where you might consider hiring a consultant (see section titled "Consultants: To Hire or Not To Hire?"). For others, the data may be more easily aggregated and can be handled internally. Regardless, below are some questions which may be used as you consider ESG disclosures:

- Does the project, process, or policy already exist internally? If it isn't public, should it be?
- Is this a new area or initiative that would require investment to develop? If this is the case, then companies should also consider the following questions:
  - Is the initiative strategic to the business?
  - Would it force the company to change its business model?
  - Would it in any way put the company at a disadvantage from a competitive standpoint?

These questions help to simplify the discussion. If the policy/process/project already exists but the company doesn't disclose it (and receive credit for it), there may be no risk to disclosure. If a stakeholder is asking for a new ESG initiative, is this a worthwhile use of the company's time and investment, and do management and the board believe that it will support overall company strategy, mission, vision, and values?

Companies can use the SASB and GRI frameworks as initial guides for disclosure. The frameworks can help determine both how to get the right data initially and which data may be most important to disclose. The following chart summarizes select disclosure frameworks, voluntary submission schemes, and ESG third-party data aggregators.

Widely Used Voluntary Disclosure Frameworks and Related Initiatives

Framework	Description	Information Source
Sustainability Accounting Standards Board (SASB)*	SASB provides 77 globally applicable industry-specific reporting standards that identify the minimal set of sustainability topics and their associated metrics for a typical company in an industry. Standards are designed to assist in disclosing information that may be financially material or decision-useful information for investors and to enable businesses to identify, manage, and communicate sustainability information to their investors. SASB industry standards contain disclosure topics, associated accounting metrics and technical protocols, and activity metrics for each industry.	**SASB—Materiality Map** **SASB—Industry Standards**
Global Reporting Initiative (GRI)	The GRI Standards provide a framework for reporting on a range of economic, environmental, and social impacts. The standards are designed to be used by any organization, regardless of size, sector, or reporting experience, and are structured to be used in a selective fashion to meet the desired compliance level and disclosure needs of the reporting organization.	**GRI—Standards**
Task Force on Climate-related Financial Disclosures (TCFD)	TCFD's recommendations provide an overarching framework for the disclosure of decision-useful, forward-looking information on the material financial impacts of climate-related risks and opportunities, including those related to the global transition to a lower-carbon economy. TCFD structures its recommendations around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets. These thematic areas are designed to interlink and inform one another.	**TCFD—Final Report—Recommendations**
The Principles for Responsible Investment (PRI)	The Principles for Responsible Investment are a voluntary and aspirational set of principles developed by investors, for investors. The six principles focus on incorporation of ESG issues into investment analysis and decision-making processes; being active owners and incorporating ESG into ownership policies and practices; seeking appropriate disclosure on ESG issues by entities in which investors invest; promoting acceptance and implementation of principles within the investment industry; working together to enhance effectiveness in implementing the principles; and reporting on activities and progress toward implementing the principles.	**PRI**
UN Sustainable Development Goals (SDGs)	The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations member states in 2015 as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. The Division for Sustainable Development Goals (DSDG) in the United Nations Department of Economic and Social Affairs (UNDESA) acts as the secretariat for the SDGs, providing substantive support and capacity-building for the goals and their related thematic issues, including water, energy, climate, oceans, urbanization, transport, science and technology, the Global Sustainable Development Report (GSDR), partnerships, and Small Island Developing States. DSDG plays a key role in the evaluation of UN systemwide implementation of the 2030 agenda and on advocacy and outreach activities relating to the SDGs. There are 17 SDGs, which may be found on the sustainable development website through the link listed in this table.	**About the SDGs** **SDGs**

Proxy Advisors/Data Providers/ESG Raters

Framework	Description	Information Source
Institutional Shareholder Services (ISS) E&S QualityScore	ISS maintains two ESG products. One is the E&S QualityScore, which is a relative ranking against ISS-selected peer companies. The methodology is based on guiding frameworks (GRI, SASB, and TCFD). The E&S QualityScore is updated monthly and published as a companion to the Governance QualityScore. The other rating is the ESG Corporate Rating, which is an absolute rating intended to assess ESG risk on a company-specific basis. For both ratings, data comes solely from a company's public disclosure: sustainability and CSR reports, integrated reports, company websites, and SEC filings.	**ISS E&S Quality Score—Overview** **ESG Corporate Rating—Overview**
Sustainalytics	Sustainalytics ESG Risk Ratings use a two-dimensional framework that measures a company's exposure to industry-specific material risks and how well a company manages those risks. It has three central building blocks: corporate governance, ESG issues, and idiosyncratic issues (e.g., accounting scandals). Resulting risk categories (ranging from negligible to severe) can be compared across all industries. Data comes from a company's public disclosures, as well as media and NGO reports. Proxy adviser Glass Lewis incorporates Sustainalytics ratings information in its Proxy Paper reports delivered to clients for proxy-voting purposes.	**Sustainalytics—ESG Ratings & Research**
MSCI	MSCI evaluates companies on 37 key ESG issues, weighted differently by industry, within 10 themes: climate change, natural resources, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance, and corporate behavior. Data is aggregated from specialized sets (from governments, NGOs, and models), company public disclosures, and media sources.	**MSCI—ESG Ratings and Research**
CDP	CDP's global disclosure system focuses on nonfinancial data related to environmental performance, with a focus on climate change, deforestation, and water security. CDP scores companies on a scale from A to D-. Performance is benchmarked against industry peers, and results are publicly available. All data is self-reported by companies. CDP has committed to aligning its survey, which is extensive and labor intensive for companies, with TCFD's recommendations in order to help to drive the adoption of TCFD recommendations by reporting companies, optimize the reporting burden, and speed up the generation of decision-useful information for data users.	**CDP—Company Disclosure**
Dow Jones Sustainability Indices (DJSI)	Operated by S&P Global, the Dow Jones Sustainability Indices (DJSI) are a family of indices that evaluate the sustainability performance of thousands of companies trading publicly. Companies are invited to participate and selected for specific indices based on relative scoring within their industry. Data is from a company's submission to the index, and may include both public and confidential information.	**DJSI Overview**
Bloomberg Terminal ESG Analysis	Bloomberg Terminal ESG Analysis integrates ESG data with Bloomberg's other analytics, highlighting important performance indicators to allow comparison across companies. The data allows historical comparison of a company's ESG metrics over a selected timeframe and comes from Bloomberg proprietary research and third parties.	**Bloomberg ESG**

Key ESG Issues Identified by Corporates and Investors

What companies and investors in the ESG space consider relevant—even material—can change quickly, with new topics appearing and others enduring or evolving over time. Below we provide an extensive, but not necessarily comprehensive, list of topics under each of the categories in ESG: environmental (E), social (S), and governance (G). Some topics (notably supply chain–related) appear under more than one of the E, S, or G given their range of impacts.

The list draws from our experience and reflects issues that companies disclose against and that investors have raised in their proxy-voting guidelines or shareholder proposals. It leverages the SASB, GRI, and DJSI frameworks as well as ISS and Glass Lewis 2020 proxy-voting guidelines.

Environmental (E)

Investors are asking companies to define and quantify environmental issues writ large, and climate risk has become one of the highest priority areas. The topic of climate risk was at the forefront of discussion among asset owners and asset managers at the 2019 Oxford Sustainable Investment Forum, for example.[18] It was also a primary focus of the 2020 World Economic Forum and of BlackRock CEO Larry Fink's letter to CEOs and boards.[19]

Not all environmental metrics will be relevant for every company, nor will every company be able to capture and report this data. We strongly encourage companies to look at their industry and peer set; determine whether they are leaders, midstream, or laggards when it comes to environmental reporting; and develop an appropriate framework for ESG reporting. Some industry associations, such as the National Association of REITs (Nareit)[20] and Edison Electric Institute (EEI),[21] have created helpful industry-specific ESG guides as a resource for their member organizations.

Notable environmental topics include the following:
An asterisk (*) indicates subject of shareholder resolutions.

The role of the board in long-term environmental stewardship, including the roles of key committees

The company as a signatory to support climate action

Published environmental management policies and/or statements

Climate change risks and exposure,* including, where relevant:

- Greenhouse gas emissions (GHG)—Scopes 1, 2, and (increasingly) 3*
- Land-use emissions
- Exposure to climate-driven weather events (for example, storms, drought, and sea-level rise)*
- Exposure to existing or potential GHG regulation (for example, carbon price)*
- Low-carbon transition strategies/alignment with Paris Accord two-degree scenario*
- Company support for climate action*

Use and procurement of renewable energy

Quantitative environmental data, including (where relevant):

- Emission-reduction statistics over a period of years
- Energy efficiency and usage with emphasis on fossil fuels*
- Reduction in waste, usually expressed in tonnage
- Reduction in single-use plastics
- Recycling, including waste compared to recycled product

Water-usage data and trends

Green products

Supply chain and third-party contractors

- Responsible contractor policy/supplier code of conduct
- Global environmental-impact assessments that cover the full value chain and include community and stakeholder viewpoints
- Raw-material sourcing, including traceability measures
- Conflict minerals or rare earth elements (mining) and environmental impact
- *See also "Social (S)," below, for social policies*

Deforestation/natural capital depletion/ecosystem degradation

Biodiversity loss/resource scarcity

Environmental, health, and safety (EHS)

- EHS policies for workers and communities
- Prospects for legal action
- Safety metrics, including (where relevant):
  - Workers' compensation claims
  - Incident and "near-miss" rates

- Safety audits and inspection reports and deficiencies
- Redundancies for crises
- Reporting processes, remediation, and corrective actions
- Training and worker participation, including on- and off-the-job safety training
- Hazard identification

Brown-site cleanup and development in communities and applications for tax abatements with employment forecasts

Natural-disaster risks and any financial impact

Policy and regulatory changes on a federal, state, or local level that affect workers, employees, or communities

Megafarming, from the perspective of supply chain, use of renewable energy, and community impact

Genetically modified foods (GMOs), testing for safety, and compliance with federal food standards

Political activity, including lobbying on a federal and/or state level on environmental laws and regulations

Linking Compensation to ESG

According to the 2019 Edelman Trust Barometer, 52 percent of investors said that linking executive compensation to ESG target performance has a positive impact on their trust in a company. Of that 52 percent, 21 percent said linking executive compensation to ESG target progress had "a great deal of positive impact."

Social (S)

The social component of ESG is highly elastic, fast moving, and significantly broader than just employee–community engagement. Among other things, this category encompasses

- human capital management (HCM) aspects that are key to attracting, retaining, and promoting great talent;
- the impact of social media and information technology, including effects on children;
- political discourse;
- human rights; and
- contingent (part-time, contract, or seasonal) workers.

From a measurement standpoint, social or HCM metrics may be challenging to capture. Reporting accurately on HCM metrics requires that an organization have a system in place to measure and track relevant matters, including such areas as employee retention/turnover and diversity and inclusion data. Enhanced ESG disclosure could also include various policies and information regarding training and compliance with those policies.

Notable social topics include the following:
An asterisk (*) indicates subject of shareholder resolutions.

Vision, mission, values, and purpose statements

Diversity and inclusion:

- Company support for specific social change/inclusion initiatives (for example, LGBTQ+, ethnic/racial diversity, pay equity, human rights)
- Gender and minority representation on the board to reflect customer base and social enterprise*
- Gender and racial diversity within the executive team and/or workforce*
- Pay equity: attracting and hiring employees from a broad pool of talent to resolve any identified disparity in pay*

Culture, including training to support a diverse and inclusive organization, clear policy on whistleblower protection, coaching on generational workforce issues, and turnover/retention statistics

Human capital management

- Human rights policy*
- Antidiscrimination policy*
- Harassment-free workplace policy
- Drug-free workplace policy
- Dispute-resolution policy
- Social media–use policy
- Leave-of-absence and FMLA policies
- Military fact sheet and policy
- Dress code policy
- Employee activism
- Employee training, development, and promotion
  - Workplace violence training
- Employee engagement survey results
- Opportunities to earn a living wage and receive competitive compensation and benefits

Labor rights and relations—collective bargaining (union) approach/agreements

Vendor/supplier code of conduct, responsible contractor policy

- Conflict and security
- Anti-slavery/forced slavery/compliance with global labor standards

Community investment

Consumer protection and recalls (product safety)

Consumer experience and satisfaction

Firearm, assault rifle, and munitions sales to the public*

Divestment from private prisons or certain countries or sectors*

Respect for indigenous rights during company operations; related lawsuits and fines*

Animal welfare and testing, cruelty-free killing policies, and cage and captivity standards*

Industry-specific issues:

- Opioid/drug crisis—board governance and awareness, mitigation of lawsuits, prescription distribution, pricing and profit strategies*
- Global retail operations—worker safety, working conditions, and wages*
- C-suite diversity and inclusion

Governance (G)

The G in ESG refers both to a company's traditional governance features and to the governance framework around its ESG-related initiatives and disclosures. For example, is the disclosure committee responsible for vetting ESG-related disclosures as part of its regular process, or should another team or committee have that responsibility on an ongoing basis? Which entity or committee has the ultimate oversight authority for these ESG disclosures? Are ESG disclosures included in the auditor's review of financial statements? What role does the board play in overseeing the management of the company's ESG issues and/or ESG disclosure? Should management's compensation be tied to E, S, or G factors?[22] The answers to these questions will vary depending upon the individual company's approach. Each company should follow the ESG disclosure oversight approach that best fits its structure and culture.

In addition to disclosure regarding traditional governance features—such as board composition, board and executive compensation, and shareholder rights—standard topics for disclosure include the following:
An asterisk (*) indicates subject of shareholder resolutions.

Board understanding and awareness of business model impact of macroeconomic/macrosocietal trends (including crisis response and contingency planning related to pandemics, epidemics, and force majeure)

Board oversight of:

- Approach to capital management and allocation
- Enterprise risk management (ERM)
- Cybersecurity*
- Executive compensation and employee and gender pay ratios*
- Corporate policies, including:
  - Whistleblower policy
  - Anticompetitive behavior
  - Anti-bribery/anti-corruption, including Foreign Corrupt Practices Act (FCPA) compliance
  - Tax policies*

Board communications and stakeholder engagement

Board composition, including independence, director skills and qualifications, diversity, and tenure*

Board evaluations

Traditional governance issues, including declassified boards, majority voting, separation of CEO/chair roles, one-share-one-vote/dual-class shares, and overboarding*

Governance guidelines

Political spending and political action committee (PAC) disclosure*

Trade association memberships and lobbying expenditures*

Summary

Each company is unique, so there's no one size that fits all when it comes to putting together an ESG program or determining what to include in ESG reporting. ESG is not a fad or trend: even in the midst of the COVID-19 pandemic, investors continue to be laser focused on a company's incorporation of relevant ESG factors into its business strategy, its mitigation of ESG risks, and its consideration of ESG opportunities. Issuers should adopt ESG reporting frameworks that capture relevant, reliable information that investors can trust and that incorporate "reportable, repeatable, and auditable" metrics.

As more investor money flows into ESG-specific funds, expectations for companies will only increase. Investors will be asking questions of companies in due course, if they aren't already, and will be expecting well-informed responses to their questions. Companies with a long-term, value-creating focus on sustainability have a competitive advantage over those that don't consider ESG in their business approach.

We encourage company leaders to carefully examine whether an ESG program and a correlated reporting framework can help define their company as one that values its investors, employees, customers, suppliers, partners, communities, and, ultimately, society and the planet. Getting a program off the ground and producing a first report can seem daunting. We hope that this guide will provide company leaders with a viable road map for implementing an ESG strategy that succeeds because it both reflects and informs the unique culture and circumstances of the company. In the end, we believe the time will be well spent.

Additional Resources

Morrow Sodali's "A Common-Sense Approach to Corporate Purpose, ESG and Sustainability" highlights various approaches taken by notable organizations to communicate their sustainability stories.

The Society's ESG Resource Library is an excellent toolbox for companies of all sizes—those starting to implement ESG programs as well as those looking to benchmark existing programs.

Appendix: Notable Resources in Alphabetical Order

As You Sow
https://www.asyousow.org

Asian Corporate Governance Association (ACGA) policies
https://www.acga-asia.org

Bloomberg Impact Reports
https://www.bloomberg.com/impact/

Business Roundtable Statement on the Purpose of a Corporation
https://opportunity.businessroundtable.org/wp-content/uploads/2020/03/BRT-Statement-on-the-Purpose-of-a-Corporation-with-Signatures.pdf

Carbon Disclosure Project (CDP)
https://www.cdp.net/en

Center for Political Accountability/ CPA-Zicklin Index
https://politicalaccountability.net
https://politicalaccountability.net/hifi/files/2019-CPA-Zicklin-Index-Report.pdf

Ceres
https://www.ceres.org

Chamber of Commerce Project GO
https://www.uschamber.com/event/project-go-project-growth-opportunity-innovation

Climate Disclosures Standards Board (CDSB)
https://www.cdsb.net

Coalition for Inclusive Capitalism
https://www.inc-cap.com

Commonsense Corporate Governance Principles 1.0 and 2.0
https://www.governanceprinciples.org/wp-content/uploads/2018/10/CommonsensePrinciples2.0.pdf

Council of Institutional Investors (CII) policies
https://www.cii.org

Dow Jones Sustainability Index survey (RobecoSAM assessment, company-specific)
https://www.spglobal.com/esg/csa/indices/

EcoVadis
https://ecovadis.com/

Ethisphere World's Most Ethical Companies
https://www.worldsmostethicalcompanies.com/honorees/

Financial Accounting Standards Board (FASB)
https://www.fasb.org/home

Glass Lewis Proxy Voting Guidelines
https://www.glasslewis.com/guidelines/

Global Reporting Initiative (GRI)
https://www.globalreporting.org/Pages/default.aspx

Interfaith Center on Corporate Responsibility (ICCR)
https://www.iccr.org/

International Business Council
https://www.intlbc.com/en/

International Corporate Governance Network (ICGN) guidance and policies
https://www.icgn.org

International Financial Reporting Standards (IFRS)
https://www.ifrs.org

International Integrated Reporting Council (IIRC)
https://integratedreporting.org

Institutional Shareholder Services Inc. (ISS)
https://www.issgovernance.com/policy-gateway/voting-policies/

Investor Stewardship Group (ISG)
https://isgframework.org

JUST Capital
https://justcapital.com

MSCI
https://www.msci.com

National Investor Relations Institute (NIRI)
https://www.niri.org/about-niri/news-media/press-releases/niri-releases-new-esg-policy-statement

Society for Corporate Governance
https://www.societycorpgov.org/home

Stakeholder Capitalism Project (aka the "Davos Manifesto")
https://www.weforum.org/the-davos-manifesto

State Street Global Advisors R-Factor
https://www.ssga.com/investment-topics/environmental-social-governance/2019/04/inst-r-factor-reinventing-esg-through-scoring-system.pdf

Sustainability Accounting Standards Board (SASB) (company/sector-specific)
https://www.sasb.org

Sustainable Stock Exchanges Initiative
https://sseinitiative.org/exchanges-filter-search/

Sustainalytics
https://www.sustainalytics.com

Task Force on Climate-related Financial Disclosures (TCFD)
https://www.fsb-tcfd.org

(United Nations) Principles for Responsible Investment (PRI) and Sustainable Development Goals (SDGs)
https://www.unpri.org

Universal Declaration of Human Rights
https://www.un.org/en/universal-declaration-human-rights/

World Business Council for Sustainable Development: Buyer's Guide to Assurance
https://www.wbcsd.org/Programs/Redefining-Value/External-Disclosure/Assurance-Internal-Controls/Resources/A-buyer-s-guide-to-assurance-on-non-financial-information

World Business Council for Sustainable Development: ESG Disclosure Handbook
https://www.wbcsd.org/Programs/Redefining-Value/External-Disclosure/Purpose-driven-disclosure/Resources/ESG-Disclosure-Handbook

World Economic Forum
https://www.weforum.org/press/2020/01/measuring-stakeholder-capitalism-world-s-largest-companies-support-developing-core-set-of-universal-esg-disclosures/

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