

MONITORING ESG

The G in ESG

2022/07



Whether it is diverse representation on boards, strategic considerations, political lobbying or cyber risk management, governance plays an important role in how businesses are being run.

Good governance can vary by region, but it is core to all good businesses and tends to be rated quite heavily by ratings agencies and asset managers in bespoke approaches said Diana Rose, head of ESG research at business consultancy Insig AI [...]:

“I see it as a structure from top leadership down to the day to day running and operational level of a business. There are lots of frameworks out there that try to capture what this means to investors and these are all structured a bit differently. That's partly due to the inter-relationships with other ESG factors, in particularly social ones.”«

Podcast tip

G in ESG: No company is 'too big to fail' on governance

[Link](#)

WHAT DOES THE G IN ESG MEAN?

What is the “G” in ESG?

“The “G” in ESG refers to the governance factors of decision-making, from sovereigns’ policymaking to the distribution of rights and responsibilities among different participants in corporations, including the board of directors, managers, shareholders, and stakeholders. The purpose of the corporation, the role and makeup of boards of directors, and the compensation and oversight of top executives have emerged as core issues in companies’ corporate governance structures.”

1 April 2022 – S&P Global
[Link](#)

The G in ESG

“The “G” in ESG refers to the governance variables of decision-making. This includes policymaking and the distribution of rights and responsibilities among various participants in companies. They include the board of directors, managers, shareholders and stakeholders. Governance practices that reflect societal values are important for both enterprises and investors. There are environmental and social concerns to address, but Governance is the tip-of-the-spear when it comes to creating sustainable business models.”

March 2022 – ESG the report
[Link](#)

Exploring the G in ESG: Governance in Greater Detail – Part I

“There is increasing evidence of the link between ESG and financial outperformance as better data quality, standardized data, longer data history, and heightened interest in assessing the materiality of ESG drives continued research. However, there is already substantial empirical evidence to suggest that the “G” aspect of ESG ultimately yields better corporate returns.”

1 April 2022 – S&P Global
[Link](#)

How to avoid becoming lost in ESG compliance in the EU

“The fast pace at which the EU ESG regulatory framework is advancing, coupled with investors’ changing demands and interests (notably regarding the ambition for widespread sustainable investing and transparency), has given rise to new challenges for fund managers. EU fund managers are now directly and indirectly exposed to several ESG-related disclosure requirements, both for themselves and the undertakings they manage.”

30 March 2022 – IFLR
[Link](#)

Foreign firms forced to observe ESG rules in EU

“In a wide-reaching revamp of the EU’s reporting requirements for non-financial firms, the bloc’s parliament has dropped a planned exemption that had been backed by the American Chamber of Commerce to the EU, according to draft documents seen by Bloomberg. An announcement is expected on Wednesday, as part of a wider package of corporate reporting proposals.”

23 March 2022 – Bloomberg
[Link](#)

ESG 2022: Top 6 ESG Issues for Companies to Tackle

“However, implementing an ESG program is not always a walk in the park. Organisations adopting and measuring ESG, within their supply and value chains, may face emerging areas of challenge. Here we’ll address six key ESG challenges.”

25 March 2022 – JD Supra
[Link](#)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE: BUILDING ON COMMITMENTS ON THE E TO BOOST THE S AND THE G

“Environmental and climate-change-related factors have been gaining the public’s and investors’ attention, and frameworks are being put in place. While commitments do not always translate into action—this will require sustained focus—the trajectory is positive. An added focus on anti-corruption can directly bolster corporate-governance-related ESG metrics, helping companies achieve their other ESG and broader goals.”

17 March 2022 – International Banker
[Link](#)

Regulators grapple to carve ESG laws into stone

“Businesses around the world collectively face the challenge of understanding and meeting rapidly evolving stakeholder demands, which increasingly pinpoint ESG (environmental, social and governance) principles as the area of greatest concern.

What’s particularly peculiar about ESG principles for corporates right now is they are being punished in the court of public opinion for things that haven’t yet been codified, in law or in practice.”

16 March 2022 – Financial Review
[Link](#)

Corporate Internal Auditing And Innovation For The ‘G’ In ESG; A Close Look At Honeywell’s Transaction Monitoring Platform, Based On Forge

“CAMS looks like another excellent example of the power of Honeywell Forge and its EPM capabilities. Fraud detection and prevention may not be the sexiest use of AI and machine learning, but it’s a very ripe niche for digital transformation. I believe CAMS represents one of the central promises of digital transformation. With the proper technology investments and upgrades, you can leverage the business data you’re likely already generating and transform it into better efficiency and savings. It’s hard to argue with that.”

31 March 2022 – Forbes
[Link](#)

ESG is the boardroom giant that keeps on growing

“In July 2021, the European Commission (the Commission) announced a renewed Sustainable Finance Strategy aiming to direct more investment towards environmentally sustainable activities. This increased focus is not a wholly EU affair but an also be seen across the water in US.

30 March 2022 – IFLR
[Link](#)

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