

## *In Focus:* ESG and sustainable development

ESG has become a hot topic at home and abroad in recent years. It aims to solve a series of ecological and environmental problems caused by industrialization and is crucial to the sustainable development. ESG, which stands for Environmental, Social and Governance, is an important standard that focuses on corporate environmental, social and governance performance and measures whether companies and institutions have sufficient social responsibility.

The genesis of ESG can be traced back to the publication of the book *The Silent Spring* in the early 1960s, which described the damage caused to the ecological environment by the indiscriminate use of pesticides. This was the beginning of the environmental protection. In 1987, the World Commission on Environment and Development (WCED) formally proposed the concept of “sustainable development” in the report *Our Common Future* and defined it as development “that meets the needs of the present without compromising the ability of future generations to meet their own needs”. In 2004, the term ESG was proposed in a landmark report *Who Cares Wins*, aiming to promote environmental, social and governance sustainable development. The U.N. Global Compact oversaw the collaborative effort for this report. In 2006, the then United Nations Secretary-General Kofi Annan took the lead in launching the United Nations Principles for Responsible Investment (UN PRI). The Principles for Responsible Investment proposed by UN PRI combine social responsibility, corporate governance and environmental protection, and propose an ESG evaluation system. Since then, ESG has made great progress.

At present, ESG development in China is in its infancy, and still requires the joint efforts of all members in the society to promote enterprises and institutions to actively fulfill their environmental, social and governance responsibilities. In 2018, the China Securities Regulatory Commission revised the Code of Corporate Governance of Listed Companies, which added relevant provisions for institutional investors to participate in corporate governance, and established a basic framework for environmental, social responsibility and corporate governance (ESG) information disclosure. In October 2021, the ESG Assessment Guidelines, formulated by the



Standards Working Committee of China Biodiversity Conservation and Green Development Foundation (CBCGDF) in conjunction with the Securities Association of China, the China Development Research Institute, the Chinese Society for Sustainable Development and International Fund for China's Environment, was implemented, providing enterprises and institutions with an environmental, social and governance evaluation system, and stipulating the basic principles, practical requirements, evaluation indicators and evaluation methods.

This month's journal focuses on a series of topics on ESG and sustainable development, and hopes to discuss with readers the development and prospects of ESG in construction of ecological civilization in the new era.



