



What Does ESG Stand For?

Environmental

Social

Governance



ESG = Sustainability

What Does ESG Stand For? – V1- March 2026



What does the E in ESG stand for?

The “E” in ESG stands for Environmental

In an ESG strategy, the Environmental component focuses on how an organisation impacts and manages its impact on the natural environment.

Typical areas that it covers include:

- Greenhouse Gas emissions (GHGs) and climate impact (eg - CO₂ reduction targets, energy efficiency)
- Energy use and renewable energy adoption
- Waste management and circular economy initiatives
- Water usage and conservation
- Pollution control (air, water, soil)
- Sustainable sourcing of materials
- Biodiversity and land use impacts

Essentially, it focuses on how responsibly an organisation uses natural resources and manages its environmental impact.



What does the S in ESG stand for?

The “S” in ESG stands for Social

In an ESG strategy, the Social component focuses on how an organisation manages its relationships with people, employees, customers, suppliers, and the wider community.

Typical areas that it covers include:

- People & Workforce – employee wellbeing, health and safety, diversity, equity and inclusion, fair labour practices, training, development and talent retention
- Supply Chain & Human Rights – ethical sourcing, modern slavery prevention, fair wages and safe working conditions across the supply chain
- Customer & Community Impact – product safety, responsible marketing, community engagement and contribution, social impact initiatives
- Stakeholder Relationships – transparency and trust with employees, partners and communities

Social focuses on how an organisation supports and values its people, fosters a positive workplace culture, and contributes responsibly to the wider community.



What does the G in ESG stand for?

The “G” in ESG stands for Governance

In an ESG strategy, Governance covers how a company is led, managed, and held accountable. It's about the systems, rules, and practices that ensure the organisation operates ethically, responsibly, and transparently.

Typical areas that it covers include:

- Board structure and independence
- Executive accountability and compensation
- Risk management and internal controls
- Ethical conduct and anti-corruption measures
- Compliance with laws and regulations
- Transparency in reporting and decision-making
- Shareholder rights and stakeholder engagement

Governance is about ensuring the organisation is led and managed responsibly, with clear accountability, ethical decision-making, and strong oversight.