



# Risk Review of Environmental, Social & Governance (ESG) Factors

## Why ESG matters

Quite simply, ESG makes good business sense.

As the world changes rapidly, businesses that manage their ESG risks – and ready themselves to capitalise on the opportunities they present – are much more likely to survive and thrive in the future. And it is in managing those risks, while identifying the opportunities, that the help of an ESG legal specialist like Burges Salmon can make all the difference.

We are expert in helping review, mitigate and manage the legal risks associated with ESG and supporting organisations to develop strategies to capitalise on opportunities presented by upcoming regulation, trends and market forces.



From risk to opportunity. From today long into tomorrow.  
With Burges Salmon, ESG can become a central strand in your future success – and a defining characteristic of your business.

# Developing an ESG strategy

We support organisations wanting to maximise their ESG opportunities to take an above and beyond approach, not one driven purely by compliance.

The first step in developing an effective strategy is to identify the key risks and steps to address them.

## 1. Identifying and understanding risks

Failure to understand and report on emerging risks can create liability for a business and its leadership team. We have already seen shareholder claims against companies whose value has been reduced through the mismanagement of ESG factors.

ESG risks should be clearly integrated into every business's risk register. However, ESG risks can fall through the cracks as they do not necessarily present an immediate risk and are often not easily quantified. This is an area where it is essential that responsibility is taken to ensure these risks are addressed.

We have found that in-house legal counsel can play a crucial role in raising these issues.

## 2. Reporting

Once the board is fixed with knowledge about ESG factors relevant to its business, the question of what to report and how to manage disclosure becomes an important liability management activity. The task, too often left to marketing teams to spin 'good news' case studies, can be a real source of legal risk as shareholders, customers, consumers and activists scrutinise and challenge the reports that emerge. Again, challenges for misleading reporting are growing, as demonstrated by ClientEarth's referral of EasyJet and others to the Financial Reporting Council and the drive towards mandatory reporting increases the risks substantially.

## 3. Action planning

The board also needs to decide what action to take to minimise its risks and maximise its opportunities. Decisions will be driven by a number of factors, including legal risk.





# How can we help?

## The Burges Salmon ESG Risk Review

We recognise that all businesses are at different stages of their ESG journey. For many organisations, the key challenge can be knowing where to start, while for others, the challenge may be identifying how to focus its ESG strategy.

The starting point is to identify and understand the specific risks that are relevant to each business. To support this, we have developed a straight-forward yet tailored ESG risk review.

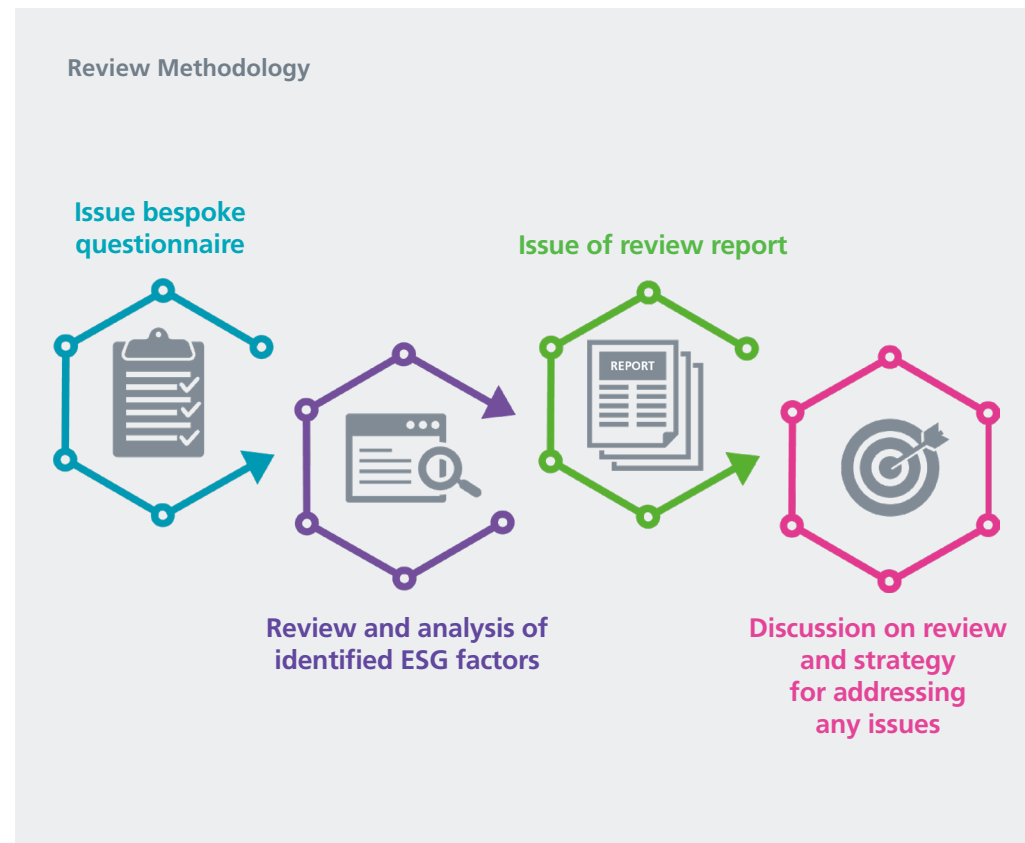
This review is based on The Sustainability Accounting Standards Board (SASB) standards which are a set of 77 industry-specific sustainability accounting standards, setting out the material ESG factors for each such industry and are recommended by both the Financial Reporting Council and Financial Conduct Authority.

This review process enables us to prepare a risk review report identifying the ESG factors that are critical to each business, to ensure that GCs, in-house teams and other business leaders understand the key ESG risks they are facing.

We then bring together our experts to provide their experience, expertise and judgement on the key issues that have been identified with potential strategies for dealing with them and capitalising on the opportunities offered by them.

### Working with Landmark Information Group (Landmark)

We have worked with Landmark to introduce this service. Landmark has developed a proprietary ESG risk management system, RiskHorizon, based on a set of standardised and tailored questions for the relevant target industry. Using this information, Landmark will then prepare an ESG screening report, which we will use to support the review.





# Why Burges Salmon?

Burges Salmon is uniquely placed to advise you on all aspects of ESG.

Our lawyers are experienced in advising on ESG related issues on a day-to-day basis, on both a strategic and operational level, and we use that experience to provide focussed, commercial advice. Our non-siloed, cross-practice approach enables us to define the challenges you face, drawing on expertise from across our business to arrive at the joined-up ESG strategies you need.

Alongside the market-leading legal services we provide, ESG sits at the heart of our business philosophy. In a recent global analysis of law firms, we were recognised as being in the top ten in terms of our ESG maturity.

We are signatories to the UN Global Compact, members of Business in the Community, and

having achieved various ISO certifications and other accreditations. We have been independently assessed by EcoVadis, across a broad spectrum of ESG criteria, and achieved their Gold Sustainability Standard for ranking in the top 5 per cent of participant organisations. We also participate in a variety of benchmarks, including CDP Climate, as part of our commitment to continuous improvement.

Put simply, we are recognised for “walking the talk” and our award-winning team is available to provide practical advice and guidance.



## Contact us

Contact a member of our ESG team to find out more about the Burges Salmon ESG Risk Review



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