

## ESG - ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The term ESG - Environmental, Social and Governance - was first used in 2004, when the Secretary General of the United Nations, in the context of the report Who cares wins - Connecting financial markets to a changing world, called on large companies to incorporate environmental, social and governance factors into their decision-making processes. This means adopting good practices in companies, based on a sustainable organisation, governed prudently and with an impact on society. In fact, with a view to defining global priorities and aspirations in areas that affect the quality of life of all citizens in the context of sustainable development, the fulfilment of these pillars has a lot to do with:

- Environmental responsibility ('E'), in the context of mitigating climate relations and protecting biodiversity, for example in the adoption of renewable energies.
- Social responsibility ('S'), promoting community well-being and respect for labour relations.
- Practising good governance ('G'), with more transparency and good management, as stakeholders demand this for the success of their investment.

Mozambique needs to create clear, solid and transversal corporate policies or regulations that oblige companies to respond to ESG criteria. Examples of the weak and dispersed existing legislation include the Paris Agreement on climate change, the Code of Conduct for Credit Institutions and Financial Companies, the mandatory publication of accounts by credit institutions and financial companies and the mandatory publication of the Annual Report and Accounts by entities in the State Business Sector.

However, although there are still no clear standards for standardising ESG, work must be done to integrate the principles established by these pillars into their production chains and into their ongoing interest in caring for communities. Adopting sustainable practices is a strategic differentiator that is certainly worth taking into account in order to boost companies' reputations, attract investment, increase productivity and thus help mobilise funding and optimise resources.



**Deyse Nuvunga**  
Associate

Practice Areas:  
- **Energy and Natural Resources**  
- **Banking and Finance**  
- **Litigation and Arbitration**

[dnuvunga@ca.co.mz](mailto:dnuvunga@ca.co.mz)

+258 878 885 500  
[info@ca.co.mz](mailto:info@ca.co.mz)

Edifício JN130  
Avenida Julius Nyerere,  
Nr.130 - 6º Andar Dto.  
Cidade de Maputo, Moçambique.