Angus Academic Press MECSS 2025
ISSN:3007-9659 DOI: https://doi.org/10.70114/ahmer.2025.2.1.P158

Analysis of Law and Public Policy from the Perspective of ESG in China

- Historical Evolution, Development Status and System Improvement

Qing He

School of Law, China University of Political Science and Law

1976271701 @ qq.com

Abstract. The promotion and promotion of ESG 's main practice to the implementation of national environmental protection policies and sustainable development can not be ignored. At present, the world is in a critical turning point of sustainable development. How to promote the implementation of ESG related policies and promote the development of ESG 's main practice is particularly important for a country 's sustainable development. This article will analyze the historical logic approach, development status and system improvement possibility of relevant laws and regulations and policy practices from the perspective of ESG in China, and put forward some suggestions and references for the development and practice of ESG related laws and regulations and public policies in China. The legislation and implementation of policies and regulations from the perspective of ESG in China need to comprehensively consider the conflicts of interests of stakeholders such as investors, enterprises, institutions and regulatory authorities, so as to reduce the cost of sustainable development, increase the benefits and benefits of green development of relevant enterprises and institutions, reduce the regulatory constraints on the disclosure costs of corporate environmental issues, improve, simplify and unify institutional supervision, and promote and supervise enterprises and institutions to assume corporate social responsibility and fulfill information disclosure obligations. At the same time, we should build a legal standard management system at the legislative, law enforcement and judicial levels, support and encourage relevant subjects to assume relevant social responsibilities in the implementation of public policies, actively participate in the construction of an environment-friendly society and the development of a green financial and economic system, and promote the synergy of soft law and hard law through policy supervision and implementation. It is necessary to standardize the environmental protection and development obligations of enterprises and institutions, participate in the construction of a green development society, jointly safeguard the public interests of national sustainable development, promote the development benefits of green environmental protection enterprises, promote the implementation and practice of green investment concepts of institutions, and better benefit the national economy and people 's livelihood， romote the construction of sustainable development and green development society.

Keywords: ESG regulations, sustainable development, public policy

1. Introduction

The role of the ESG practice in promoting the implementation of national environmental policies and sustainable development cannot be ignored. In such a critical transition period of global sustainable development, how to promote the implementation of ESG related policies and promote the healthy development of ESG subject practice is particularly important for a country ’ s sustainable development. Through the analysis of the historical and logical approach of ESG relevant regulations and policy practices in China, the current development status and the possibility of institutional improvement, this article will provide some suggestions and references for the development and practice of ESG related regulations and public policies of China.

ISSN:3007-9659 DOI: https://doi.org/10.70114/ahmer.2025.2.1.P158

2. Organization of the Text

ESG is an important solution for sustainable human development and a major opportunity and challenge for enterprises with a sense of social responsibility. ESG is widely promoted internationally, and many ESG factors have been proved to have a positive correlation with corporate financial performance and value. ESG is the unity of economic and social value. If applied properly, it can not only realize the green social value of enterprises, but also realize the transformation of the industrial structure and energy structure of the whole country, which is more conducive to the sustainable development of the country and the region, reduce the damage of environmental pollution, and maintain the harmonious and stable development of ecology. China put forward the grand goal of " China 's carbon neutrality in 2060 " at the United Nations General Assembly, which means that China will achieve sustainable development in an all-round way, and the green investment and development have become a new strategic path. At present, the world is facing a series of problems such as global energy crisis, global warming, environmental pollution, reduced species diversity, social inequality and economic uncertainty. In this context, ESG can provide an opportunity for enterprises in various countries to turn the crisis into a driving force, optimize resource allocation, re-plan the development direction of energy conservation, emission reduction and environmental protection concepts, actively participate in the sustainable development of the global economy, and achieve a balance between profitability and environmental protection and energy conservation. In response to the environmental crisis and climate crisis, relevant countries and fields have effective policies, technologies and business models, but the relevant policies are far from enough to delay and mitigate the ongoing pollution and ecological damage.

At present, the construction of ESG related legal system in China is still in its infancy, and the localized ESG evaluation standard system and information disclosure system are gradually established. It is urgent to unify the legislative standards to promote the construction, practice and improvement of enterprise ESG. The construction of China 's localized ESG regulations and public policy management system is of positive significance for promoting enterprises and institutions to fulfill their social responsibilities for sustainable development, promoting social sustainable development and government governance, and can also provide reference for domestic and foreign investors to carry out ESG investment.

2.1 The Historical Logic Approach and Development Status of ESG Related Regulations and Public Policies in China.

There are now dozens of ESG related information disclosure systems in the world. The mainstream standards include GRI (Global Reporting Initiative) standards, SASB (Sustainable Development Accounting Standards Board) standards, TCFD (Working Group on Financial Information Disclosure Related to Climate Change) guidelines, IIRC (International Integrated Reporting Committee) standards, CDP (Carbon Disclosure Project) standards, etc. The ESG concept is being integrated into the concept of sustainable development with Chinese characteristics through the endogenous power of enterprise development and transformation. At present, China is in the stage of transition from economic model to green and clean energy sustainable development. The policy puts more attention to the concept of sustainable development and green finance, which requires enterprises to gradually realize industrial adjustment through relevant technological transformation and enterprise concept innovation, and then affect and realize the implementation of the low-carbon strategy of the whole country. Integrating the development concept of ESG into enterprise planning and building an ESG organizational management system can help enterprises meet the expectations and requirements of all stakeholders while based on their own high-quality development ; it plays an active role in enterprise system innovation, governance structure, risk management and decision-making process.The promotion effect of ESG practice is reflected in two aspects : information disclosure of ESG and evaluation of ESG, which can play a role in promoting public supervision of sustainable development and encouraging green investment in the market for

ISSN:3007-9659 DOI: https://doi.org/10.70114/ahmer.2025.2.1.P158
relevant companies and investment institutions, so as to achieve the tilt of social resources and capital to ESG enterprises.

The following will sort out the historical evolution path of ESG related laws and public policies from the aspects of enterprise information disclosure and sustainable development assessment, so as to clarify the logical approach of ESG localization in China, in order to explore the institutional innovation and improvement of ESG practice in China.

2.2 The Construction and Development of ESG Related Standard System in China at this Stage :

At present, China has formulated the following ESG standard systems :

(1) The ESG evaluation standard (T / CGDF 00011-2021) formulated by the China Biodiversity Conservation and Green Development Foundation has been implemented since October 2021.

(2) Shenzhen Securities Information Co.Ltd., a wholly-owned subsidiary of Shenzhen Stock Exchange, launched the ‘national securities ESG evaluation method’ in July 2022, and released the Shenzhen core index ESG benchmark index and ESG leading index based on this evaluation method.

(3) In August 2021, the International Organization for Standardization (ISO) Sustainable Financial Technology Committee (ISO / TC322) released the ISO / TR 32220 standard proposed and convened by Chinese experts to verify, report and disclose financial products and services. The significance is to reduce the transaction, verification and communication costs of sustainable financial market participants.

(4) Initiated by Xinhua Net, the T / CAQP 026-2022 General Principles of Enterprise ESG Information Disclosure and T / CAQP 027-2022 General Principles of Enterprise ESG Evaluation launched by the Development Research Center of the State Administration of Market Supervision, China Quality Miles Promotion Association, National Standards Institute and other institutions were formally implemented in December 2022.

(5) The first national enterprise ESG information disclosure standard- " Enterprise ESG Disclosure Guide " (T / CERDS 2-2022) group standard, which was formally implemented in June 2020, has set up a four-level index system and 118 specific indicators for enterprise information disclosure. It is suitable for enterprises of different types, industries and sizes, and can be used as a reference for enterprise self-evaluation and third-party evaluation.

(6) In July, 2002, the State-owned Assets Supervision and Administration Commission of the State Council, the China Quality Association, the Economic Research Institute of the Chinese Academy of Social Sciences and other departments launched the " Enterprise ESG Management System Requirements " and " Enterprise ESG Evaluation Guide " (group standards), and constructed a unified and universal ESG management system certification standard, ESG evaluation process and index system.

At present, the construction of China 's ESG industry standard system is in the ascendant and is in the growth stage. It also needs to be connected, improved and coordinated in the direction of legislation, law enforcement and administrative policies to build a unified industry development ESG standard.

Historical evolution process of ESG related laws and related public policies:

Table 1: Historical evolution process of ESG related laws and related public policies

Implementation time	policies and regulations	concrete content
In 2002, January	CSRC Governance Guidelines for Listed Companies	Continuous information disclosure is the responsibility of the listed company
In 2003	Notice on Environmental Protection Verification of Enterprises applying for listing and Listed Enterprises applying	To regulate the direction of social funds in environmental protection, guide environmental protection departments at all

ISSN:3007-9659 DOI: https://doi.org/10.70114/ahmer.2025.2.1.P158

	for refinancing (No.101,2003)	levels to verify the refinancing of listed enterprises and listed enterprises
In 2005	The Decision of The State Council on Implementing the Scientific Outlook on Development and Strengthening Environmental Protection (No.39,2005)	Enterprises should disclose environmental information, listen to public opinions and strengthen social supervision on projects involving public environmental rights and interests through public hearings, demonstration meetings or public publicity
In 2007	And Notice of The State Council on Printing and Issuing Comprehensive Work Plan for Energy Conservation and Emission Reduction (No.15,2007)	The acquirement of accelerate the development of green bonds, and support eligible enterprises that raise energy and reduce emissions to go public for financing and refinancing
In 2007, In January	Measures for the Administration of Information Disclosure of Listed Companies (Order No.40 of China Securities Regulatory Commission)	Clear information disclosure, regulatory system and relevant legal consequences
In 2007, In December	SASAC Guidance on Performing Social Responsibility of Central Enterprises	The establishment of a social responsibility reporting system and the active supervision of stakeholders and society will be included in the main content of central enterprises performance of social responsibilities
In 2008, In February	The Guiding Opinions on Strengthening the Environmental Protection Supervision and Administration of Listed Companies issued by the State Environmental Protection Administration	Promote and supervise the disclosure of environmental information by listed companies;Establish the environmental performance evaluation information system of listed companies, compile and publicly release the annual environmental performance index and comprehensive ranking of listed companies
In 200 8, In April	Measures for Environmental Information Disclosure of the State Environmental Protection Administration (Trial)	Enterprises with serious pollution should disclose relevant information; Enterprises are encouraged to voluntarily disclose relevant environmental information through the media, the Internet or their annual environmental reports, and enterprises that discharge excess amount of pollutants are forced to publicly disclose environmental information
In 2010, In September,	Guidelines for Environmental Information Disclosure of Listed Companies (Draft) of the Ministry of Environmental Protection	To guide listed companies to disclose their annual environmental reports
In 201 5, In January	Measures of Environmental Information Disclosure of Enterprises and Public Institutions issued by the Ministry of Environmental Protection, PRC	The competent environmental protection departments shall guide and supervise the working system of environmental information disclosure of enterprises and institutions
In 201 5, In January	The Environmental Protection Law issued by the Standing Committee of the National Peoples Congress	For construction projects that prepare environmental impact statements in accordance with the law, and explain the situation to the public that may be affected, and fully solicit opinions
In 2016,	The Peoples Bank of China and other seven ministries and commissions issued guidelines on Building a Green	Establish and improve the mandatory environmental information disclosure system for listed companies and bond issuers; study,

ISSN:3007-9659 DOI: https://doi.org/10.70114/ahmer.2025.2.1.P158

	Financial System	formulate and implement specific information disclosure requirements for listed companies of key pollutant discharging units, and increase the punishment for enterprises that forge environmental information; Third-party professional organizations are encouraged to participate in the collection, research and release of enterprise environmental information and analysis reports.
In 2018,	Green Investment Guidelines (Trial) issued by the Asset Management Association of China	The fund manager shall conduct a self-assessment of the green investment situation once a year
In 2018, In September,	CSRC "listed company governance standards" revised	Listed companies should actively practice the concept of green development, add a chapter on stakeholders, environmental protection and social responsibility, and stipulate that listed companies should disclose environmental information (E), fulfill social responsibilities for poverty alleviation (S) and corporate governance information (G) in accordance with the requirements of laws and regulations and relevant departments
In 2010,	General Office of the CPC Central Committee and General Office of the State Council on Building a Modern Environmental Governance System	Disclosure of environmental governance information; Improve the environmental protection credit evaluation system of enterprises, implement classification supervision according to the evaluation results, establish and improve the mandatory environmental governance information disclosure system of listed companies and bond issuing enterprises; promote the improvement of the mandatory national environmental protection standards, improve the information feedback and evaluation mechanism of environmental protection standards, and encourage the development of various green certification systems related to environmental governance
In 2018, In September,	CSRC Governance Guidelines for Listed Companies	Listed companies are required to actively practice the concept of green development, and make clear provisions on the disclosure of environmental information of the governance information of listed companies
In 2020, In September,	Central Bank, NGFS Summary of Environmental Risk Analysis of Financial Institutions and Case Set of Environmental Risk Analysis Methods	An internationally universal and sound environmental disclosure framework should be established
In 2021,	Guidelines on Investor Relations Management of Listed Companies (Draft) issued by China Securities Regulatory Commission	The ESG content was included
In 2012,	Guidelines on Environmental Information Disclosure of Financial Institutions of the Peoples Bank of China	Clarify the environmental information disclosure system for financial institutions

ISSN:3007-9659 DOI: https://doi.org/10.70114/ahmer.2025.2.1.P158

In 2021,	The Reform Plan of the Environmental Information Disclosure System of the Ministry of Ecology and Environment	The mandatory disclosure system of environmental information will be basically formed by 2025
In 2021,	Administrative Measures for the Legal Disclosure of Enterprise Environmental Information issued by the Ministry of Ecology and Environment	Establish information disclosure system, emphasize improving the quality of environmental information disclosed by enterprises, and strengthen the responsibility constraints of enterprise information disclosure. Establish diversified supervision mechanisms for administration, credit and society.
In 2012,	Measures for the Administration of Carbon Emission Rights Trading	Implement the responsibility for controlling carbon emissions
In 20 21,	The General Office of the Ministry of Ecology and Environment issued Administrative Measures for Legal Disclosure of Enterprise Environmental Information and Format Guidelines for Legal Disclosure of Enterprise Environmental Information	Further refine the content of enterprise environmental information disclosure in accordance with the law, standardize the format of environmental information disclosure in accordance with the law, guide and help enterprises to disclose environmental information in accordance with the law, and strengthen the standardization of environmental information disclosure.
In 2022, In June	Green Finance Guidelines of Banking and Insurance Industry issued by China Banking and Insurance Regulatory Commission	Determine the green development strategy of green finance, incorporate ESG into the management process and risk assessment process, formulate green finance goals and submit green finance reports, and require banking and insurance institutions to develop green finance reports.
In 2022, In May	Work Plan for Improving the Quality of State-owned Listed Companies controlled by The State-owned Assets Supervision and Administration Commission of the State Council	Explore the establishment and improvement of ESG system, build ESG information disclosure rules, ESG performance rating and ESG investment guidelines with Chinese characteristics; promote the professional governance ability of ESG of listed companies controlled by central enterprises, promote the disclosure of more listed companies controlled by central enterprises to disclose ESG special reports, and strive to disclose "full coverage" of relevant special reports by 2023.
In 2022, In July,	Evaluation Method of National Certificate ESG of Shenzhen Stock Exchange	Establish and formulate a localized ESG evaluation system for listed companies in China

Under the central dual-carbon goal, public policies, funds and investors are accelerating ESG investment. At present, China 's ESG related laws and regulations are scattered in various policy and regulatory documents. It is urgent to formulate guiding and specialized laws and regulations to reduce the disclosure cost of corporate environmental issues, improve and simplify institutional supervision, build a system of corporate social responsibility rights and obligations, improve the docking and coordination of legislation, law enforcement, and judicial regulations, and build ESG practice standards and related subject rights and obligations system.

The improvement of the system of laws and public policies from the perspective of ESG in China

ISSN:3007-9659 DOI: https://doi.org/10.70114/ahmer.2025.2.1.P158

From the above analysis, we can see that China is establishing and improving ESG laws, regulations and public policy systems, including ESG information disclosure rules, ESG rating rules and ESG investment guidance rules, and has made some progress.

2.3 The Following will Discuss the Possibility of Perfecting and Innovating China 's Laws and Public Policies From the Perspective of ESG in China

How to promote ESG to participate in the social responsibility of enterprises and institutions : including promoting employment, improving the living conditions of employees, opposing gender discrimination in the age of disability, advocating equality between men and women in employment, energy conservation and emission reduction, sustainable development and investment, environmental protection are the issues that need to be considered in the formulation of laws, regulations and public policies. Through the analysis of legal interests, the relevant subjects from the perspective of ESG include companies, investment institutions, evaluation institutions, standard-setting (government) institutions, policy and regulation enforcement agencies, etc. It can be seen that the legal interests involved include residents, social sustainable development interests, enterprises and investment institutions, sustainable development interests and survival profit interests, the interests of social workers participating in social work is on an equal basis.

The following will discuss how to balance the allocation of rights and obligations of relevant subjects from the perspective of ESG, how to improve the relevant laws and regulations, in order to achieve the protection and realization of legal interests at the legal and public policy level. From the perspective of legal obligations, ESG participating enterprises and investment institutions have information disclosure obligations, environmental protection obligations, sustainable development obligations, green development obligations, and ESG assessment institutions have legal assessment obligations. From the perspective of the rights of relevant subjects, ESG participating enterprises and investment institutions have the right to survival and development, and the relevant public has the right to know and the right to sustainable development. Relevant enterprises and assessment regulators have the responsibility to ensure the sustainable development of enterprises and society, ensure the sustainable development interests of the environment, resources and the public, and build a resource-saving and environment-friendly society by fulfilling their institutional responsibilities under the conditions of compliance and legality.

How to protect the sustainable development rights and enterprise development benefits of the relevant legal subjects participating in ESG from a legislative perspective, and balance the allocation of rights and obligations ?

(1) Firstly , confirming the legal interests of relevant legal subjects in terms of legislation and public policy, and encouraging the green and sustainable development of enterprises and investment institutions through the construction of relevant legislation and regulatory legal system.

(2) Policy implementation of preferential policies and government subsidies for relevant enterprises that practice the concept of sustainable development is of importance . Through public policy encouragement and regulatory regulation, it is necessary to ensure that ESG participates in enterprises to legally fulfill their disclosure obligations, assume social responsibilities, ensure that evaluation institutions correctly, legally and effectively apply ESG evaluation and management standards, and connect with subsequent ESG industry supervision, regulatory supervision, and enterprise implementation efficiency supervision. This requires relevant industry associations, industry groups and relevant government departments to formulate a unified, effective and legal ESG standard system and evaluation and evaluation standard management system, improve and coordinate the follow-up law enforcement and supervision of government departments, and improve relevant regulations and public policies for industry management.

Based on the above analysis of legal rights and obligations, the following corresponding system improvement and improvement should be made for ESG stakeholders : for enterprises and institutions that implement ESG regulations and policies, policy subsidies and policy support should be given ;for the policy of illegal actors, the punishment mechanism and the compensation and

ISSN:3007-9659 DOI: https://doi.org/10.70114/ahmer.2025.2.1.P158

charging mechanism for subsequent pollution control should be improved ; we should unify and improve the formulation of guiding standards within relevant industry groups and associations, establish relevant national and industry institutions in the field of ESG, coordinate the formulation of standards in various industries, and establish unified and coordinated regulatory rules ; it is necessary to establish a correct guidance, guidance and clear reward and punishment mechanism at the legal and public policy level for corporate and institutional behaviors that conform to the principles of sustainable development and the concept of green development. Encouraging enterprises and investment institutions to participate in ESG practice requires the encouragement of relevant government agencies in public policy and the increase development of subsidy mechanisms ; clarify the regulatory powers and responsibilities of ESG related regulatory law enforcement agencies, establish regulatory obligations for the behavior of companies and investment institutions, and regulatory obligations for assessment agencies.

3. Conclusion

Through the above analysis and research on the logical evolution, development status, regulations and public policy improvement of ESG related policies and regulations, the author believes that the legislation and implementation of policies and regulations from the perspective of ESG in China need to comprehensively consider the interests of ESG related stakeholders such as investors, enterprises, institutions and regulatory authorities. Contradictions, in order to reduce the cost of sustainable development, increase the green development benefits and benefits of related enterprises and institutions, reduce the regulatory constraints of corporate environmental disclosure costs, improve, simplify and unify institutional supervision. Promote and supervise enterprises and institutional entities to assume corporate social responsibility, fulfill information disclosure obligations and other purposes.At the same time, we should build a legal standard management system at the legislative, law enforcement and judicial levels, support and encourage relevant subjects to assume relevant social responsibilities in the implementation of public policies, and actively participate in the construction of an environment-friendly society and the development of a green financial and economic system. Through policy supervision and implementation, we should promote the synergy of soft law and hard law, standardize the environmental protection and development obligations of enterprises and institutions, and participate in the construction of a green development-oriented society. We should jointly safeguard the public interests of national sustainable development, promote the development benefits of green environmental protection enterprises, promote the implementation and practice of green investment concepts of institutions, and better benefit the national economy and people's livelihood. Together build the construction of sustainable development and green development of our society.

References

[1] See Kotsantonis, Sakis, Christopher Pinney, and George Serafeim. ESG Integration in Investment Management : Myths and Realities. Journal of Applied Corporate Finance 28, no. 2 (Spring 2016) : 10-16. https://www.hbs.edu/faculty/Pages/item.aspx?num=51511

[2] See Zhongrong Trust. Which contains ESG research topics - How to understand ESG ? . 21 Economic Network, October 21, 2022, 12 : 28 p.m.

[3] See Beijing Tai Koo Law Firm. ESG will be included in the risk management system, focusing on release. 2022-08-12 15 : 32, https://baijiahao.baidu.com/s?id=1740939754457626848&wfr=spider&for=pc

[4] See Sohu Focus, ESG Weekly | Officially published ESG evaluation method, ESG report compilation guide release (Week 30) , 2022-07-29 06 : 25, https://baijiahao.baidu.com/s?id=1739636790813635057&wfr=spider&for=pc