

Comparison of ESG & ESG IN URBAN PLANNING

The ESG implementation processes in organisations and urban planning follow the same overarching management cycle, but they differ significantly in **purpose, scope, stakeholders, scale, indicators, and outcomes**. Organisational ESG is primarily concerned with improving corporate performance, managing risks, and meeting investor expectations, whereas ESG in urban planning focuses on creating sustainable, resilient, inclusive, and well-governed cities and communities.

The following comparison highlights how each ESG implementation step is adapted for urban planning.

ESG Implementation Step	Corporate ESG	ESG in Urban Planning
1. Leadership Commitment	The Board of Directors and senior management establish ESG vision and governance.	National, state, and local governments establish a sustainability vision through planning policies, development plans, and political commitment.
2. Stakeholder Identification	Investors, employees, suppliers, regulators, customers, shareholders.	Communities, local authorities, developers, government agencies, NGOs, transport operators, utility providers, academia, indigenous groups, and vulnerable populations.
3. Materiality Assessment	Identify ESG issues affecting business performance and stakeholder expectations.	Identify urban sustainability issues affecting the city and communities, such as housing, transport, climate resilience, ecosystem protection, and public health.
4. Baseline Assessment	Measure energy use, emissions, waste, employee data, governance practices, and ESG performance.	Assess existing urban conditions, including land use, transport systems, carbon emissions, green spaces, housing, flood risks, infrastructure, biodiversity, and socio-economic characteristics.
5. ESG Goals & Targets	Carbon reduction targets, diversity goals, governance improvements, ESG ratings.	City-wide targets such as carbon neutrality, affordable housing provision, public transport modal share, green space per capita, renewable energy, walkability, and resilience objectives.
6. ESG Strategy & Action Plan	Develop ESG policies for operations, procurement, investment, and corporate governance.	Integrate ESG principles into spatial plans, zoning regulations, infrastructure investment, climate adaptation strategies, mobility plans, and development control guidelines.

ESG Implementation Step	Corporate ESG	ESG in Urban Planning
7. Implementation	Execute corporate sustainability programmes such as renewable energy, waste reduction, employee wellbeing, and ethical procurement.	Implement sustainable urban projects including Transit-Oriented Development (TOD), green infrastructure, nature-based solutions, affordable housing, public transport, active mobility, smart cities, and resilient infrastructure.
8. Monitoring & KPI Tracking	Monitor ESG indicators through dashboards, audits, and internal reporting.	Monitor city performance using urban sustainability indicators, GIS, remote sensing, carbon inventories, mobility statistics, housing indicators, environmental monitoring, and planning performance metrics.
9. ESG Reporting	Publish sustainability reports using recognized reporting standards.	Publish sustainability reports, climate action reports, SDG progress reports, city resilience reports, and local authority performance reports.
10. Assurance & Verification	Third-party assurance of ESG reports and carbon inventories.	Independent review of planning implementation, environmental assessments, ESG performance audits, climate reporting verification, and statutory plan evaluation.
11. Continuous Improvement	Review targets and continuously improve ESG performance.	Periodically review development plans, update planning policies, revise climate action plans, improve governance systems, and incorporate new technologies and stakeholder feedback.

Key Differences

Aspect	Corporate ESG	Urban Planning ESG
Primary Objective	Improve organisational sustainability, manage risks, create long-term business value, and satisfy investors.	Achieve sustainable, resilient, inclusive, and liveable cities while balancing environmental, social, and economic objectives.
Scale	Individual organisation or company.	Neighbourhood, township, city, metropolitan region, or national planning system.

Aspect	Corporate ESG	Urban Planning ESG
Decision Makers	Board of Directors, Chief Executive Officer, ESG Committee, Management.	National ministries, state governments, local authorities, planning agencies, utilities, communities, developers, and elected representatives.
Main Beneficiaries	Shareholders, investors, employees, customers.	Entire population, including residents, businesses, visitors, future generations, and ecosystems.
Planning Horizon	Typically 3–10 years, aligned with corporate strategy.	Often 10–30 years or longer through structure plans, local plans, and strategic development frameworks.
Performance Indicators	Financial performance, carbon emissions, workforce diversity, governance, and ESG ratings.	Urban form, accessibility, housing affordability, public transport use, climate resilience, biodiversity, air quality, public health, and quality of life.
Implementation Tools	ESG management systems, sustainability reporting, corporate policies, environmental management systems, procurement standards.	Spatial planning, zoning, development control, master plans, strategic environmental assessment, transport planning, green infrastructure planning, climate action plans, and public participation.



**E****ENVIRONMENTAL**
Protect the planet and use resources responsibly.

**S****SOCIAL**
Build a better society and empower people.

**G****GOVERNANCE**
Act with integrity, transparency and accountability.

Sustainable Today. Resilient Tomorrow. Responsible Always.

URBAN PLANNING ESG

A CONTINUOUS CYCLE FOR SUSTAINABLE, RESILIENT & INCLUSIVE CITIES



THE ESG PILLARS IN URBAN PLANNING



ENVIRONMENTAL

Protect natural resources, reduce emissions, build climate resilience, enhance biodiversity and green infrastructure.



SOCIAL

Create inclusive, healthy, safe and vibrant communities with equitable access to housing, mobility and services.



GOVERNANCE

Ensure transparent, accountable and participatory decision-making with strong institutions and ethical governance.

Sustainable Cities. Better Lives. Stronger Future.

Discussion

While both approaches follow the same continuous improvement cycle, the **focus of ESG in urban planning shifts from organisational performance to place-based sustainability**. Corporate ESG evaluates how a company manages environmental, social, and governance risks and opportunities within its operations. In contrast, urban planning ESG applies these principles to the planning, design, development, and management of urban systems. It emphasizes long-term spatial outcomes, climate resilience, social equity, environmental stewardship, and good governance across an entire city or region. Consequently, ESG in urban planning becomes a strategic framework for guiding land use, infrastructure, mobility, housing, ecosystem conservation, and community development toward more sustainable and resilient urban futures.

For your **ESG in Urban Planning** microcredential and book, this comparison provides a strong conceptual foundation because it clearly demonstrates that **urban planning does not replace conventional ESG—it expands ESG from an organizational management framework into a spatial governance and city development framework**. This distinction is important and can serve as the introductory conceptual model for your proposed ESG Urban Planning Framework.

ESG IMPLEMENTATION: CORPORATE ESG vs. ESG IN URBAN PLANNING

ESG IMPLEMENTATION STEP		CORPORATE ESG	ESG IN URBAN PLANNING
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Corporate ESG
 Focuses on organizational performance, risk management, and long-term business value.

Same ESG principle. Different application.
 Driving a sustainable and resilient future.

ESG in Urban Planning
 Focuses on sustainable, resilient, inclusive, and liveable cities for present and future generations.