

## **NAVIGATING THE ESG LANDSCAPE AND ITS IMPACT IN THE BUSINESS AND INVESTMENT SECTOR**

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### **Abstract**

The purpose of this paper is to identify the impact and importance of ESG in the business and investment world in the past few years and how can we implement ESG criteria into our businesses to continue to have profitable and investable businesses. The research is focused on the role of ESG decisions within organizations and how they can impact the value of a company. The research hypothesis is that there are various decisions of becoming ESG complaint you can take, but not all of them are profitable decisions. So, instead of taking decisions based on the implementing costs and short-term expenses, an organization should take into consideration long-term profits and a possible increase in the company's valuation. Achieving success involves identifying these factors well in advance before they can adversely impact the well-being of the company. This allows for proactive measures to mitigate any potential detrimental consequences that may arise. This can be accomplished through ongoing monitoring of these variables, creating a dynamic process, and making informed decisions based on a solid understanding of the operational processes and needs of each company. Because of its massive politicization, ESG has become perceived more as a cost center instead of a value center. Business leaders consider that they are being forced to report something without value for their businesses when they should be asked how to turn this in their favor to make business more valuable. This paper also presents the importance of sustainable developments and how they can impact investment decisions. Analyzing the behavior of the biggest investment firms, we can identify those metrics that show if a company's decisions about ESG implementation make it investment material.

### **Keywords**

ESG, investment, business, value chain, sustainable development

### **JEL Classification**

M4, M14, M16, E22, F20, F23

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