

A Study on Rising Importance of ESG in Business World

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Abstract: *Environmental, Social and Governance (ESG) are the regulatory measures framed to encourage business practices concerning sustainability and responsibility. ESG is very crucial for investors to make investment in companies that are really dedicated to considering these issues and possess strong governance practices to address these issues and alleviate the potential risk related with these issues. ESG is a wider concept that comprises social, environmental, and governance factors, whereas CSR chiefly focuses on the social and environmental influence of a company's operations. After Post-Covid 19, global investors have increasingly focused on ESG as they observe Covid-19 as the century's first "sustainability" crisis. As per EY report, 90 per cent of global investors consider a company's ESG performance. In 2020, while investing, eighty-five percent of investors took ESG into consideration. Incorporating ESG principles into business operations is not only just obeys regulatory requirements or appeasing stakeholders but also it is a strategic decision that can initiate long-term success. This paper tries to present what distinguishes ESG from CSR and rising importance of ESG in business world.*

Keywords: Business world, CSR, ESG, importance