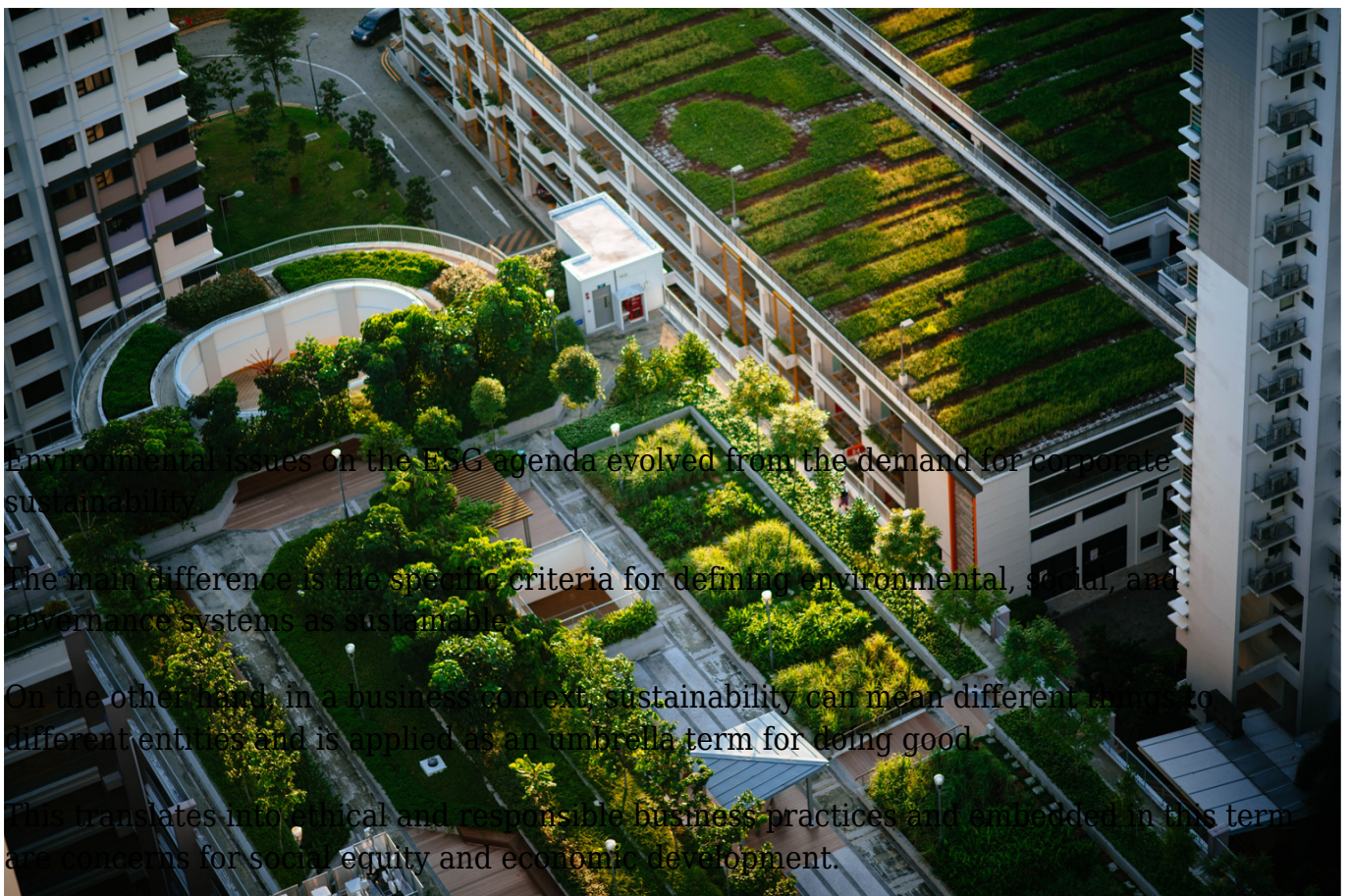


A sustainable company guarantees, above all, a greater chance of receiving valuable investments and standing out in the market in the face of new consumer demands.

In this sense, the article will present which points must be analyzed to guarantee the existence of a **sustainable company** in the ideals brought by the ESG agenda.

It is worth mentioning that ESG (Environmental, Social, and Governance) consists of an agenda of commitments with issues related to the environment, society, and plural governance, aiming at a sustainable company.

## **THE DIFFERENCE BETWEEN ESG AND SUSTAINABILITY**



Environmental issues on the ESG agenda evolved from the demand for corporate sustainability.

The main difference is the specific criteria for defining environmental, social, and governance systems as sustainable.

On the other hand, in a business context, sustainability can mean different things to different entities and is applied as an umbrella term for doing good.

This translates into ethical and responsible business practices and embedded in this term are concerns for social equity and economic development.

However, the ESG agenda points to a specific set of criteria that remove ambiguity around sustainability.

In addition, they have been adopted by exchanges worldwide and, more recently, by the CVM.

## HOW DOES A COMPANY MEET THE ENVIRONMENTAL CRITERIA?

As a rule, public notices and documents related to the agenda establish specific criteria to verify whether the company meets environmental demands.

In this sense, companies that intend to meet **environmental criteria** can, for example:

- Publicly donate a percentage of their profits to environmental issues
- Reduce your carbon emissions, use of plastic and other pollutants
- Ensure energy efficiency
- Commit to reforestation
- Protect biodiversity

## THE BENEFITS FROM THE INVESTORS' POINT OF VIEW

Focusing on sustainability through [developing ESG practices offers many potential benefits for organizations and their stakeholders](#).

Here, three benefits of sustainable **business practices** and their implications for investors will be presented. These include:

- Provide a framework to manage risk and increase enterprise value
- Strengthen the company's reputation
- Attract diverse talents

The main points about each of these practices will be presented below.

### 1. PROVIDE A STRUCTURE TO MANAGE RISKS AND INCREASE VALUE

Assessing an organization's sustainability using ESG factors includes taking a long-term

view of its business to evaluate risks and opportunities.

By building a sustainability framework and incorporating it into corporate risk management practices, companies are able to assess threats capable of generating financial impacts and, in the worst-case scenario, environmental disasters.

## **2. STRENGTHEN THE COMPANY'S REPUTATION**

By adopting and refining an ESG framework, organizations are able to assess how the agenda aligns with their mission and values.

Ensuring consistency across an organization's values and actions is critical to building a reputation with customers, employees, and other stakeholders.

Adopting the agenda consists of a fundamental change in the corporate culture, which, as mentioned above, has become a demand from consumers and investors.

## **3. ATTRACT DIVERSE TALENT**

Emphasizing the importance of ESG factors also has significant benefits when attracting and retaining talent.

A sustainable company that shows real commitment will be better positioned to recruit engaged employees.

This will help to improve the diversity of thought in the organization, which has been shown to be a great benefit in the performance of the activities by the collaborators.

## **NEXT STEPS**

The importance of accounting for and embracing ESG factors as part of a sustainability framework is critical for all organizations.

Companies adept at addressing and adapting to changes in these factors have what it takes to develop sustainably.

Finally, these are the main points and criteria of a sustainable company according to the ESG agenda. [Keep following our blog and follow our Instagram for more content.](#)