

Sustainable companies have become a market requirement, not only by customers but also by investors and shareholders.

In this sense, when analyzing these **sustainable companies**, it is possible to evaluate the three pillars of corporate sustainability.

WHAT IS CORPORATE SUSTAINABILITY?



Corporate sustainability is a growing concern among investors who seek not only economic profit but also social good and allocate investment to sustainable companies.

In general, corporate sustainability has three main pillars:

- Environmental
- Economic
- Social

According to these pillars, sustainable companies must operate within the criteria set forth

by the ESG (Environmental, Social, and Corporate Governance) agenda.

Therefore, corporations implement mechanisms to reduce their environmental footprint or to achieve other objectives for the benefit of society.

THE ENVIRONMENTAL PILLAR

The environmental pillar often gets the most attention, as most companies are focused on reducing their carbon footprint, packaging waste, water use, or other impacts on the environment.

In addition to helping the planet, these practices can also have a positive financial return.

For example, reducing the use of packaging materials means less expense, and improving fuel efficiency also helps the company's budget.

THE ECONOMIC PILLAR

Generally speaking, activities that fall under the economic pillar include compliance, **proper governance**, and risk management.

Regarding corporate governance, the need for the company's management to be aligned with the interests of shareholders and customers applies.

For this alignment to be verified, companies need to use accurate and transparent accounting methods.

In addition, the possibility of the right to voice and vote for shareholders is of paramount importance.

It is worth noting that it is the inclusion of the economic pillar that enables corporations to comply with sustainability strategies.

That's because the economic pillar provides a counterweight to the extreme and immediate environmental measures that corporations are sometimes pressured to adopt.

THE SOCIAL PILLAR

The social pillar of a sustainable company relies on the support of its employees, stakeholders, and the community in which it operates.

Approaches to securing and maintaining this support are diverse, but it generally boils down to the equal treatment of employees and respect for the law.

Therefore, the social pillar of concern for employees affects, for example, retention and engagement strategies, including employee benefits.

For example:

- Better maternity and family benefits
- Flexible working hours
- Learning and career development opportunities

In addition, for community engagement at the local scale, companies can act by raising funds, granting sponsorship, scholarships, and investing in local projects.

On the other hand, on a global social scale, a company needs to be aware of how its supply chain is being populated.

In this way, issues such as payment rules in all company units and safety in the work environment, among others, must be evaluated.

In conclusion, these are the three pillars of corporate sustainability adopted by sustainable companies. Did you like the text and want to read more about ESG criteria? Keep following our blog and follow our Instagram for more content.