

**V. Kurilenko,
O. Tolkacheva**

Scientific supervisor

E. Kniazkova

Belarusian Trade and Economics

University of Consumer Cooperatives

Gomel, Republic of Belarus

SIGNIFICANCE OF INTEGRATING ESG-APPROACH INTO THE BELARUSIAN MARKET

Environmental values and corporate social responsibility are coming to the leading position in a society nowadays. Manufacturers monitor how their actions and products affect nature and their society. New directions and management standards are being increasingly disseminated in the world. Modern progressive businesses reflect three main approaches of ESG investing that determine the environmental (E), social (S) policy and corporate governance (G) of a company. They are used to increase the loyalty of a society, improve the favour to the brand and influence the results of activities. ESG-approach – is a set of principles that help entrepreneurs achieve goals with benefits for the environment and sustainable development in the future. The ESG sustainable development concept includes three standards:

- Environment – eco-friendliness of the company's production; reduction of harmful emissions; control of the entire life cycle of goods: extraction of raw materials, production, use, recycling and disposal.
- Social – loyalty to all representatives from employees to customers, and the society as a whole, taking care of the families of employees, providing benefits; employment of people with disabilities.
- Governance – compliance with all rights and guarantees, developing relationships with the state, shareholders, and the consumer community; anti-corruption policy, tracking the chain of financial transactions, etc.

It should be mentioned that the practice of ESG investing began in the 1960s as socially responsible investing. In its modern form, the ESG principles were first formulated by former United Nations Secretary-General Kofi Annan in 2004.

Environment, social, and governance (ESG) approach is becoming increasingly relevant both for businesses globally and the Belarusian market. Improving ESG performance – the impact of operations on the safety and health of the workforce, the environment, and the surrounding communities – can directly lead to improved business performance and profitability. However, research shows that many companies don't focus on ESG-approach because of the incorrect assumption that devoting the necessary time and resources to planning and operating ESG measures are too costly. There are several reasons why investors benefit from socially oriented investments: the profitability of securities, increase in the value of the company in the future and personal responsibility. Many Belarusian companies are actively developing ESG-approaches investing in environmental and social initiatives. If a company pays attention to the environment, the social sphere and the quality of corporate governance, then in the long term outlook, it is likely to be more expensive than similar companies that do not do this. In addition, large investors are increasingly interested in ESG companies – this makes issuers attractive to other investors, as a result, the company's value is growing. In ESG companies, there is mostly high quality of production. This means that the probability of accidents is lower, and there are more highly qualified specialists with specialized education than people without special education. By investing in ESG companies, you are making your contribution to improving life and protecting nature.

Having studied the methodology of ESG ratings of international and national rating agencies, taking into account the specifics of the Belarusian market, the following factors are evaluated: the company's environmental strategy, introducing eco-innovation; remuneration level and social protection of personnel; social marketing implementation, socially responsible investments; business reputation and transparency of business activities. It is believed that in the near future, global funds will stop investing in companies that ignore the ESG principles of sustainable development. These strategic and operational ESG-approaches are critical to long-term value creation and are attracting heightened attention from investors, consumers, and other stakeholders.