

## STRATEGIC CORPORATE GOVERNANCE AND ESG INTEGRATION

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### Abstract:

The importance of strategic corporate management is increasing in the modern business environment. Effective management methods play an important role in making companies competitive. At the same time, environmental, social and governance factors also remain an integral part of corporate strategy. ESG integration is important in ensuring the long-term success of companies, as well as increasing their responsibility towards society and the environment.

**Keywords:** Business, strategic corporate management, company, competition, methods, analysis, energy efficiency improvement.

### Introduction

Strategic corporate governance is a process aimed at setting the goals of a company, distributing resources and creating competitive advantages. Within this process, the company analyzes its internal and external environment, studies its competitors and identifies its strengths and weaknesses. The main goal of strategic management is to ensure the long-term success of the company. In the process of strategic management, there are many methods and methodologies. Tools such as SWOT analysis, PEST analysis, and Porter's Five Forces model help companies make important strategic decisions. All this makes it possible to increase the competitiveness of the company and adapt to market conditions.

### MATERIALS AND METHODS

ESG integration allows companies to increase their social responsibility by focusing on environmental, social and management issues. ESG indicators demonstrate the stability and responsible management of the company. Today, investors and customers pay great attention to ESG indicators, since these indicators indicate the long-term success and safety of the company. The environmental (E) indicator reflects the company's approach to environmental sustainability. This includes reducing emissions, increasing energy efficiency, and using renewable energy sources. And Social (S) indicators include the company's relationships with employees, customers and society. This includes creating safe working conditions for employees, ensuring diversity and inclusion. And the

management (G) indicator includes the management structure of the company, ethics and transparency. Integration of ESG indicators into strategic management provides a number of advantages for companies. First, it increases trust between investors and customers. Secondly, ESG integration helps to reduce the risks of the company. For example, environmental problems or social conflicts can damage the company's image. By paying attention to ESG indicators, companies will be able to avoid these problems.[1]

## **RESULTS AND DISCUSSIONS**

The effect of Strategic Management and ESG integration on each other is very strong. The company must take into account ESG factors when setting its strategic goals. For example, when a company is developing new products, it is important that it assess their environmental impact. This will not only help not harm the environment, but also create a positive image between customers and investors. In addition, the company can increase its social responsibility by improving its relationships with its employees and society. This, in turn, increases employee motivation and strengthens their commitment to work. Companies that integrate ESG performance into strategic management will be able to increase their competitiveness and adapt to market conditions.[2]

However, there are also difficulties in implementing ESG integration. First, companies may have difficulty measuring and evaluating ESG indicators. Accurate methodologies and standards are needed to determine these indicators and measure them. Second, companies may have problems providing the necessary resources to pursue ESG goals. This can be especially difficult for small and medium-sized businesses. Also, ESG integration requires changes within the company. These changes require the adoption of new opinions among employees and increased responsibility. Companies must engage their employees to achieve ESG goals. This, in turn, requires a change in the internal culture of the company.[3]

## **CONCLUSION**

Strategic corporate governance and ESG integration are complementary processes in a modern business environment. Integrating ESG indicators into strategic management allows companies to increase their competitiveness, increase their social responsibility and ensure their long-term success. However, there are also difficulties in implementing such integration. Companies may have problems measuring and evaluating ESG metrics, providing the necessary resources, and making internal changes. Nevertheless, ESG integration is the key for companies to be successful in the future. This process not only ensures the economic success of the company, but also increases the responsibility for society and the environment.

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