

## **What is ESG - Why Corporations Follow It - Part 3 of 3 Series**

As previously discussed in the other two parts of this series, ESG is a financial philosophy where investors investigate three non-traditional aspects when choosing whether to invest in a company. These aspects are environmental consciousness, social treatment, and governance efficacy. Yet, investors are not the only ones who consider ESG, as many corporations now place a larger focus on these aspects than ever before.

As far as the environmental aspect is concerned, it has become widespread for corporations to shift away from fossil fuels and toward new green energy. A prime example sits in the automotive industry, with many companies committing to transitioning their lineups away from gas engines and toward electric vehicles. Renewable energy is also becoming increasingly popular, with companies focused on the growth of electric, solar, wind, and other renewable energy forms.

Companies have also continued to increase their focus on employee standards and customer service, finding these key ways to draw in investors and raise satisfaction with their products. ESG may soon guide the decisions of many more corporations who look to draw in more progressive-minded, generally younger, investors.

Source: Staff Editorial.

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