

# Applying ESG Criteria in Business Practice

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## Abstract

In recent years, the idea of sustainable business has been increasingly promoted in the EU, which is business that respects environmental, social and economic aspects (ESG) and that seeks to achieve long-term sustainability and prosperity. Responsible and sustainable business must be built primarily on the business side, because otherwise companies would not be profitable at the expense of legislative requirements. Organizations are coming under increasing pressure to do business more sustainably. As a result, ESG considerations are now a key part of companies' strategic plans. The presented article deals with the application of ESG criteria in business. The aim is to evaluate the impacts and benefits of applying ESG criteria in business practice. The introduction summarizes the development of the ESG concept, key legislative frameworks (e.g. CSRD, CSDDD, EU taxonomy), reporting standards and the benefits and challenges associated with their application. The main part is focused on publishing the outputs of the project "The Importance of Sustainable Business and the Application of ESG Criteria in Business Practice", especially from the questionnaire survey. It analyzes how companies in the Czech Republic approach ESG and what their experiences are with its implementation. A proper sustainable business strategy considers how to remain relevant for customers in the future and thus gain a much-needed edge over the competition. The motivation for ESG transformation should therefore primarily be the desire to do things differently, a commitment to people and the planet as a whole.

**Keywords:** CSRD directive, ESG concept, ESG reporting, responsible business, sustainability