

DOI: <https://doi.org/10.30525/978-9934-26-398-9-70>

PRINCIPLES OF ENVIRONMENTAL RESPONSIBILITY IN BUSINESS

The importance of environmental and social responsibility is growing year by year. Such a trend is observed both within Ukraine and at the international level. This situation is due to the processes of globalization, an increase in the risk of environmental disasters and man-made accidents, increased attention to a healthy lifestyle, as well as changes in the organization of labor relations. Particular attention is paid to the need to reduce the carbon footprint, protect biodiversity, use resources efficiently and support workers' rights, which requires companies to implement sustainable practices in all aspects of their operations.

The development of the industrial sector and the service sector is closely related to the effective management of resources, in particular, energy resources. Energy is becoming a key factor in the production of goods and the provision of services, including customer service. It ensures the operation of equipment, technological lines, computers and multifunctional devices, as well as the necessary lighting, becoming an integral part of every aspect of the company's activities. Therefore, electricity costs constitute a significant part of the costs of any organization.

In response to this, in recent years, many enterprises have begun to actively implement the principles of corporate social responsibility, in particular, with an emphasis on environmental sustainability. Environmental awareness, as a key principle of companies' activity, not only improves their image in society, but also contributes to cost optimization. The use of energy-saving technologies, the transition to renewable energy sources, as well as investments in ecologically clean projects become effective ways not only to reduce the impact on the environment, but also to reduce energy costs. Thus, ecologically responsible entrepreneurship acts as a strategic choice that contributes to economic efficiency and sustainable development.

Businesses play an important role in influencing the environment, and modern entrepreneurs are aware of this, which prompts them to develop and implement innovative approaches in production. This trend emphasizes the need to integrate environmental principles into strategic planning and business management of the new generation. Focusing on environmental issues is driven not only by moral obligations to society and nature, but also

by practical economic advantages. The introduction of sustainable technologies and eco-innovations not only helps to reduce the negative impact on the environment, but also opens up new market opportunities, improves the image of the company and provides it with competitive advantages. Thus, environmental responsibility turns into a key element of a successful business strategy and a necessary condition for the long-term development of the enterprise.

Environmental responsibility of business is an important aspect of corporate social responsibility (CSR), which includes initiatives aimed at achieving the public good [1]. This is a new direction of interaction between business and the environment [2], in which companies integrate environmental principles into their strategies and relations with all interested parties, while not putting their financial indicators at risk [3]. The implementation of environmentally responsible practices allows companies not only to reduce the negative impact on the environment, but also to increase their competitiveness, opening new market niches and improving relationships with customers and partners who value sustainable development.

The responsible attitude of companies to the environment gives them a number of advantages [1; 2; 3]:

- involvement in environmental responsibility has a positive effect on the brand's reputation in the eyes of society;
- while green initiatives may require significant upfront investment, they contribute to revenue stability and add long-term business value;
- environmentally conscious companies are becoming a preferred workplace for candidates who value sustainability and environmental responsibility;
- the trend towards "green" consumption is growing, and buyers prefer products from companies with a high level of environmental responsibility;
- there is a link between environmental responsibility and customer loyalty, especially among the younger generation, who value transparent communication about environmental initiatives;
- companies that actively engage in green practices have an advantage over those that ignore sustainability;
- companies with high levels of corporate environmental responsibility (CER) often have a lower cost of equity capital;
- environmentally responsible companies have better conditions for attracting external financing, which can increase the efficiency of investments in the long term;
- environmental responsibility helps reduce social and environmental risks, ensuring the company's long-term sustainability.

Thus, the integration of environmental values into the business strategy becomes not only a moral choice, but also a strategic decision that contributes to the growth and development of the company.

References:

1. Arenas D., Rodrigo P. (2016), On Firms and the Next Generations: Difficulties and Possibilities for Business Ethics Inquiry, *“Journal of Business Ethics”*, vol. 13(1), pp. 165–178.
2. Ganescu C., Dindire L. (2014), Corporate environmental responsibility – a key determinant of corporate reputation, *“Computational Methods in Social Sciences”*, vol. 2(1), pp. 48–53.
3. Rashid N.R.N.A, Rahman N.I.A., Khalid S.A. (2014), Environmental Corporate Social Responsibility (ECSR) as a Strategic Marketing Initiatives, *“Procedia – Social and Behavioral Sciences”*, vol. 130, pp. 499–508.