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# GLOBAL EXPERIENCE IN IMPLEMENTING THE ESG CONCEPT

The rapid spread of environmental, social, and governance (ESG) principles across global financial markets reflects the growing consensus that investment decisions must take into account not only short-term returns but also long-term sustainability. The origins of ESG can be traced back to socially responsible investment (SRI) practices of the late twentieth century, but the decisive institutionalization of ESG occurred after 2004, when the United Nations Global Compact first popularized the term. Since then, ESG has transformed from a voluntary niche into a mainstream paradigm influencing regulatory frameworks, investment flows, and corporate strategies worldwide.

Global experience shows that ESG implementation has followed a phased trajectory. Initially, governments and financial institutions gradually introduced sustainable finance principles, followed by the development of specific products and institutions such as green bonds, ESG mutual funds, and sustainability-focused banks. By the 2020s, ESG had become institutionalized, with financial policies and management strategies aligned to the Sustainable Development Goals (SDGs). According to international surveys, by 2022 there were nearly 400 sustainable finance policies globally, with G20 members accounting for the majority. This demonstrates how ESG integration has moved beyond voluntary corporate disclosure toward a regulatory priority supported by both developed and emerging economies.

The scale of ESG-related assets confirms this global shift. Bloomberg Intelligence reported that global ESG assets surpassed USD 30 trillion in 2022 and are expected to exceed USD 40 trillion by 2030. Europe remains the dominant region, holding more than USD 3 trillion in sustainable funds by 2021, ten times the level of the United States. Forecasts suggest Europe will maintain a 45% global share by 2030, while Japan, Canada, and Australia are projected to expand their relative weight due to favorable economic and regulatory conditions. These figures illustrate how ESG investing has moved from a marginal activity to a structural component of global capital markets.

Practical experience also highlights the diversification of ESG strategies. Institutional investors apply positive and negative screening, thematic investment, integration of ESG data into financial analysis, shareholder engagement, and impact investing. For example, funds such as Vanguard ESG U.S. Stock ETF (ESGV) or Fidelity Sustainability Index Fund apply transparent criteria to exclude companies engaged in controversial industries like fossil fuels, tobacco, or weapons, while prioritizing firms with high sustainability scores. These approaches, supported by robust indices from providers such as MSCI or Sustainalytics, allow investors to align portfolios with ethical values and long-term risk management. However, global practice also demonstrates persistent challenges: lack of unified reporting standards, methodological divergence among ESG rating agencies, and difficulties in balancing short-term profitability with long-term ESG objectives.

Another significant component of the global ESG framework is the development of green bonds. Since their introduction, issuance volumes have expanded from USD 37 billion in 2014 to more than USD 580 billion in 2021, led by European countries. The funds raised are directed toward renewable energy, clean transport, water management, and climate adaptation projects. Green bonds have become a widely accepted tool for financing environmental initiatives, supported by EU taxonomy standards and independent external verification. The experience of the United States, China, Germany, and France as leading issuers shows how green finance is gaining momentum not only in advanced but also in rapidly developing markets.

The international experience with ESG proves that sustainable finance is no longer a secondary concern but a strategic axis of financial development. The success of ESG integration lies in its ability to mobilize capital for climate and social goals while maintaining financial returns. Yet, challenges remain. Investors and policymakers must address the lack of standardization in ESG ratings, prevent “greenwashing,” and design strategies that reconcile shareholder expectations with sustainability imperatives. Despite these obstacles, global evidence suggests that ESG has already reshaped investment logic, making responsibility and sustainability an integral part of financial decision-making. This transformation, visible across Europe, North America, and Asia, indicates that ESG is not a passing trend but a cornerstone of the financial system of the twenty-first century.

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