

The Evolution of ESG: From CSR to ESG 2.0

Subjects: [Sociology](#)

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The evolving landscape of Corporate Social Responsibility (CSR) has transcended its traditional boundaries, transitioning into Environmental, Social, and Governance (ESG) principles and their more advanced iteration, ESG 2.0. Unlike traditional CSR, which primarily emphasizes voluntary ethical practices, ESG integrates sustainability into the core business strategy, transforming how corporations address environmental and societal challenges while enhancing shareholder value. This entry focuses specifically on the European and North American contexts, where regulatory pressures, investor demands, and societal expectations have played pivotal roles in accelerating this transition. Understanding the evolution from CSR to ESG practices is crucial, given the increasing complexity of global challenges such as climate change, inequality, and governance scandals. The emphasis on ESG 2.0 highlights a proactive, strategic approach to embedding sustainability into corporate DNA, ensuring relevance in a rapidly changing world.

[ESG](#)[CSR](#)[sustainability](#)[accountability](#)[stakeholder theory](#)

Corporate Social Responsibility (CSR), which began as a voluntary practice addressing the ethical obligations of businesses, has undergone profound transformations. Over the past several decades, it has evolved into structured frameworks emphasizing Environmental, Social, and Governance (ESG) metrics. ESG 2.0, the latest iteration, represents a paradigm shift where sustainability becomes a cornerstone of strategic planning and value creation.

This entry explores how CSR, traditionally associated with philanthropy and ethical practices, has transitioned into ESG and its advanced form, ESG 2.0. The geographical focus is on the European and North American regions, where regulatory frameworks such as the European Union's Corporate Sustainability Reporting Directive (CSRD) and market-driven forces, including shareholder activism, have played pivotal roles. Definitions of CSR and ESG 2.0 are central to this narrative, offering clarity on the shift from reactive compliance to the proactive integration of sustainability into corporate operations [\[1\]](#)[\[2\]](#)[\[3\]](#)[\[4\]](#)[\[5\]](#).

The growing complexity of global challenges—including climate change, social inequality, and demands for greater transparency—has catalyzed the emergence of ESG 2.0 [\[6\]](#)[\[7\]](#)[\[8\]](#). This concept signifies a fundamental shift in how companies incorporate ESG principles—not as peripheral considerations but as core elements of strategic planning and value creation. By delving into the core tenets of ESG 2.0, this entry highlights its potential to drive transformative corporate accountability and contribute significantly to sustainable development, offering a path forward amid these challenges.

The urgency for a more robust ESG framework has never been greater [9]. With companies under increasing scrutiny from regulators, investors, customers, and civil society, the expectation now extends beyond profit generation to include tangible, positive impacts on the environment, communities, and culture. ESG 2.0 addresses these demands by embedding sustainability into corporate DNA, ensuring that businesses not only survive but thrive in a rapidly changing global landscape [10].

This entry explores the evolution of CSR from its roots in the 1950s to the present-day concept of ESG 2.0. It provides a comprehensive understanding of CSR's transformation over time and sheds light on the key researchers who have contributed to shaping this critical field in contemporary business.

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