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ENVIRONMENTAL` SOCIAL` AND GOVERNANCE (“ESG”) PERFORMANCE AND FINANCIAL OUTCOMES: ANALYZING THE IMPACT OF “ESG” ON “FINANCIAL PERFORMANCE”

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Abstract

Consideration of “Environmental, social, and governance (ESG)” has increased importance for the “financial performance” and financial market and it serves as a corporate manifestation of sector sustainable development, most corporate leaders accept the concern of “ESG” as a significant approach to enhance its “financial performance”. The practices of “ESG” factors also contribute to a better dynamic of cost management, innovation and employee retention that further leads to a more sustainable prospect for long-term growth. “ESG” performance has contributed towards the growth of “financial performance” through influencing investment decisions on “ESG” scoring firms among investors as well as contributing towards the inclination of firms to opt for social responsibility and environmental performance as well as corporate governance as a means for securing the support and investment participation of prospective investors and stakeholders. The study also implied sustainability funding and socially responsible investments and funding such as the ETF not only being limited towards investment contribution but also is included into the “financial performance” such as through investment and socially responsible funding assets and returns. Therefore, it could be considered that “ESG” performance has a positive and noteworthy influence over “financial performance” through a financial and non-financial parameters and integrations into businesses that shape the market value and “financial performance” of the forms due to the aspect of high “ESG” scoring firms having and upper hand in sustainability development within the firm and contribution towards sustainability in environment and society.

Author Keywords

Environmental, Social, and Governance (ESG), Financial Performance Sustainability Development, Socially Responsible Investments, Corporate Governance

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