

FINANCIAL PERFORMANCE AS A MEDIATOR IN THE ESG-FIRM VALUE RELATIONSHIP: INSIGHTS FROM INDIAN MARKETS

Riya Chauhan¹ and Satendar Singh²

¹Research Scholar, Sharda University, Greater Noida

²Associate professor, Sharda University, Greater Noida

Email: riyachauhan400@gmail.com

Received: 10th Jan 2026 | Revised: 12th Feb 2026 | Accepted: 08th March 2026 | Published: 10th April 2026

ABSTRACT

Every business today operating in the highly competitive and dynamic environment considers Environmental, Social, and Governance (ESG) as an essential part of its strategy. When aligned well with the company's business strategies, it helps improve the company's brand reputation, stakeholder engagement, and ultimately financial performance. The relationship between ESG and firm performance is already a well-researched area, but what remains unexplored is the influence of ESG on firm value. Essentially, firm value is not directly affected by ESG ratings. Instead, ESG first impacts the company's financial performance, which then influences firm value. This study aims to analyze the impact of ESG performance on the firm value of NSE-listed companies in India. Furthermore, the study also aims to assess the mediating role of financial performance in the relationship between ESG performance and firm value among NSE-listed companies. The study examines 157 companies listed on the National Stock Exchange (NSE). The required data was collected from the CMIE Prowess database, NSE website, and the companies' financial and annual reports. ESG ratings data were obtained from the Bloomberg terminal. The data was collected for 5 years. Results show that ESG performance does not have a direct effect on Firm Value. The results further indicate that financial performance plays a significant mediating role in the relationship between ESG-firm value relationship

Keywords: *ESG Performance, Firm Value, Financial Performance, India, NSE Listed Companies*

INTRODUCTION

Modern institutions do not operate in a closed environment (Pedrini & Ferri, 2019). Every action of theirs has a consequence on their work and profitability since both firms and stakeholders are engaged in a reciprocal relationship (Fassin, 2012). For more than 20 years now, Environmental, Social and Governance issues have gone from being a peripheral concern to becoming an integral part of how businesses and institutions plan and operate worldwide (Aziz & Alshdaifat, 2024). Over the past two decades, ESG considerations have increasingly gripped Indian companies, driven by regulatory norms, investors' expectations and sustainability pressures (Sitola et al., 2025). A strong Environment, Social, and Governance score of any corporation indicates robust sustainability accountability of the company and signals robust social responsibility, making the company more appealing to stakeholders and fund managers (Kostyuchenko et al., 2024). The concept of ESG has its roots in awareness of corporate social responsibility (Passas, 2024). The ESG score of a corporation reveals if it is ecologically and socially conscious (Grim & Berkowitz, 2020). Extensive literature on the ESG-financial performance relationship already exists, with mixed evidence across different contexts (Nian & Said, 2025). Some research suggests that ESG can enhance profits and reduce risks, while others believe it mainly incurs costs without providing immediate financial benefits (Bani-Khaled et al., 2025a). However, the influence of ESG disclosures on firm value, which represents the worth of the company in the minds of investors, remains unexplored, especially in the Indian context (Wijayanto & Supanto, 2025a).

This gap is critical and needs to be explored further because the investor's confidence, trust and long-term sustainability of any company is reflected by firm value (Ojha, 2025), which is essential beyond short-term profitability. From the researcher's review of the existing literature, no work has yet been found that has examined the mediation effect of financial performance on the ESG-Firm Value relationship (Wijayanto & Supanto, 2025a), especially in the Indian context. The objective of this study is to analyze the mediating effect of financial performance in the ESG-firm value relationship. By addressing this essential gap in the current literature, the study aims to contribute new perspectives within the Indian context.

LITERATURE REVIEW

ESG and Corporate Strategy: ESG refers to a framework of standards that assesses a company's environmental, social and ethical impact while simultaneously ensuring transparent disclosure and communications of the firms that demonstrate accountability in advancing and improving sustainability objectives (Alkaraan et al., 2022), (Cek & Eyupoglu, 2020). Prior studies have examined how numerous organizations adopt ESG reporting as a strategic means to enhance their firm performance (Boiral & Paillé, 2012). It has now become a cornerstone of corporate sustainability, directly shaping the long-term competitiveness of an organization by pushing firms away from a shareholder-centric model, which prioritises short-term financial gains, towards a stakeholder-oriented approach that addresses the interests of customers, investors, communities, regulators and investors (Raheer et al., 2026).

Several studies indicate that responsible investment in ESG can yield superior returns and enhance the long-term competitiveness of the firm, as supported by stakeholder theory (Daugaard, 2020). Stakeholder theory, introduced by Freeman, states that a business organization's objectives can only be achieved if it is able to protect and balance the interests of different stakeholder groups. This means the processes of the business must be completely transparent (Freeman & McVea, 2005). The theory emphasises the importance of considering the interests of all stakeholders, including employees, customers, suppliers, communities, and shareholders, in decision-making processes (Brin & Nehme, 2019). ESG frameworks help in addressing concerns relating to corporate reputation, risk management and stakeholder engagement simply by integrating sustainability into core business practices (Khojastehpour & Johns, 2014). Companies that give importance to ESG reporting and demonstrate accountability send positive signals to the market and gain stakeholder approvals, which in turn fosters trust and strengthens corporate reputation (Meng et al., 2023). ESG encourages engagements via collaborations, open communications and accountability not only with the investors but with diverse groups like employees, customers, suppliers, government, regulatory bodies and local communities (Dinu et al., 2025). Existing research on ESG suggests that disclosing a company's information is important to maintain relationships and improve the company's reputation with stakeholders (Martha & Khomsiyah, 2023). Disclosures of a company's non-financial information, such as ESG reporting, help in building transparency as it provides clear metrics on sustainability efforts made by the company, which enable investors and regulators to assess risks and make investment decisions (Yeh et al., 2024).

The integration of ESG in Indian corporations is no coincidence. Rather, it is driven by regulatory compliance and environmental crises (Agrawal et al., 2026). There are multiple drivers of the rise in ESG reporting in India, which include stakeholders' concerns, regulatory initiatives like SEBI's Business Responsibility Report mandate, and profitability incentives (Sharma et al., 2020). ESG reporting within Indian service-sector firms generates notable advantages, which include increased investor confidence, mitigation of risk, improved stakeholder relationships, and it even serves as a signal of organizational legitimacy and improves corporate reputation, which can ultimately be reflected in financial performance gains (Efthymiou et al., 2023).

ESG not only considers the risk associated with sustainability initiatives, but it goes far beyond to include the societal impact that an investment made by the company has on society (Grim & Berkowitz, 2020).

ESG and Financial Performance: In recent years, the research examining the impact of ESG disclosures in firm's financial performance internationally has accelerated significantly (Deng & Cheng, 2019), (Chen et al., 2023). The majority of empirical research shows a positive relationship between ESG reporting and corporate financial performance (Friede et al., 2015). For instance, a study conducted in Germany reports that ESG has a positive influence on Return on Assets, but there's no such impact on Tobin's Q (Velte, 2017). Another study conducted on firms listed on the Bombay Stock Exchange (BSE) employed a panel data approach and reported that out of the three components of ESG, only the Governance factor positively affects the firm's performance (Maji & Lohia, 2026). Although a large number of researchers have argued that ESG considerations have a positive impact on corporate financial performance, few studies have also shown inconsistent results regarding the negative association between ESG reporting and the financial success of a firm (Chen et al., 2023), (Nollet et al., 2016). For instance, a study conducted on Indian firms reported that firms with higher ESG ratings exert a negative impact on financial performance; in fact, the research argued that profitability (measured by ROA) tends to decline as scores increase, thereby suggesting that ESG investments impose costs on firms, which can outweigh the financial benefits (Devi & Y, 2024a). The authors of the empirical research conducted on 54 listed companies in Italy report that ESG scores have a negative impact on financial performance (Aydoğmuş et al., 2022).

In India, the adoption of ESG is gaining momentum, but its supporting evidence is still scattered and evolving (Koley, 2025). Although SEBI's business Responsibility and Sustainability Reporting framework and stakeholder pressure have boosted the adoption of ESG by Indian companies, studies show that

¹ Sharda School of Business Studies, Sharda University, India

² Faculty of Business Studies, Sharda University, India

companies are more focused on reporting rather than improving, and the empirical evidence remains an emergent (Chen et al., 2023). Studies indicate that ESG integration is still evolving rather than fully institutionalised (Kansal et al., 2014).

ESG and Firm Value: The performance of a company’s stock price shapes investors’ perceptions of the company’s success, which, in turn, reflects its firm value (Akhmadi et al., 2022). Firm value represents the worth of a company in the minds and eyes of potential buyers, reflected by the price a buyer is willing to pay in order to buy that company (Wijayanto & Supanto, 2025a). Stakeholder theory suggests that the market value of any enterprise is primarily shaped by how effectively it addresses stakeholders’ concerns and satisfies their requirements (Shakil, 2021).

Researchers have used various variables to measure a firm’s value. For instance, multiple studies have employed Tobin’s Q as a measure of a firm’s value (Panda et al., 2024),(Bhimavarapu et al., 2023),(Kumari et al., 2024),(Mishra & Kapil, 2018). Other proxies used by researchers include price-earnings ratio (PER) (Tripathi & Aggarwal, 2018), market capitalisation (Bhimavarapu et al., 2023), Market value of Equity (MVE) (Gupta & Goldar, 2005), Market to book value (Kumar & Shetty, 2018). There are several studies that have examined the relationship between ESG investments and disclosures and the value of the firm, but the results remain inconsistent. A study conducted on the listed firms of Saudi Arabia reveals that ESG disclosure has a positive and significant impact on firm value (Abdelaty DIFALLA, 2026). On the contrary, some studies argue that ESG practices and disclosures can adversely affect a firm’s value if they are adopted without financial strength (Evans & Peiris, 2010). The results of the studies conducted globally reflect that ESG can indirectly enhance firm value through reputational benefits and stakeholders’ trust. What remains inconsistent is the direct financial effects (Sari & Valdiansyah, 2025).

Most existing studies are global, and only a limited number of studies are there that have explored the ESG’s effect on firm value, leaving a gap in understanding how investments in ESG and its disclosures impact firm value, thus warranting further exploration (Sheli et al., 2026). This study employs market capitalisation as a measure of Firm Value. Market capitalisation can be measured by multiplying outstanding shares by stock price (Wijayanto & Supanto, 2025a).

Mediating Role of Financial Performance: The impact of ESG on financial performance is neither linear nor straightforward (Wijayanto & Supanto, 2025b). ESG disclosures and ratings rarely influence market value directly (Bouattour et al., 2024). Several studies have empirically examined the relationship between CSR initiatives and firm value, finding that CSR positively affects financial outcomes, which in turn increase the firm’s value, suggesting that financial performance mediates this relationship (Margolis et al., 2009).

The benefits associated with favourable ESG ratings, which include reputational gains (Kastens, 2025), risk reduction (Wu et al., 2025), or cost savings (Neuenroth & Zureck, 2024), first enhance financial performance, which is then translated into increased firm value (Wijayanto & Supanto, 2025b).

Positive ESG assessments help a company to achieve better market recognition, enhanced visibility, and stock prices (Zheng et al., 2025). Investors see a company’s true worth or value only when its ESG efforts are reflected in the financial metrics of the company (Bani-Khaled et al., 2025b). In this way, financial performance acts as a bridge that helps in connecting the outcomes of ESG with the value of the firm (Rayis et al., 2025).

There are enough studies available that have explored the CSR, financial performance and firm value relationship (Zaiane & Ellouze, 2023), but studies on the mediating role of financial performance on the ESG-Firm Value relationship are limited in emerging markets, especially India, which requires further exploration (Putra & Budastra, 2024). This study aims to fill this gap.

The hypothesis formulated based on theoretical analysis and existing literature is as follows:

- H1: ESG performance has a significant impact on the Firm value of NSE-listed companies
- H2: ESG performance exerts a significant positive influence on the financial performance of NSE-listed companies.
- H3: Financial performance significantly enhances the Firm Value of NSE-listed companies
- H4: Financial performance serves as a significant mediator in the relationship between ESG performance and firm value among NSE-listed companies

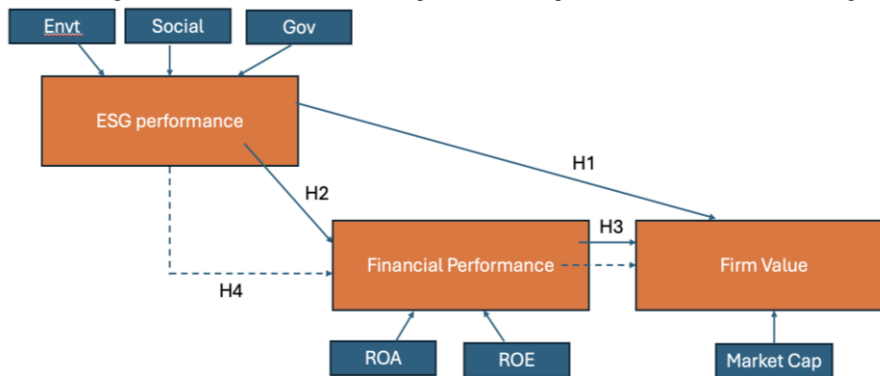


Figure 1: Hypothesis Construct Framework

Methodology: This study has used secondary data gathered from the CIME Prowess-IQ database. The data on financial performance and firm value were collected using this database only, while the ESG score data are obtained from the Bloomberg terminal that publishes ESG scores annually for Indian companies. The study’s population includes the companies that are listed on National Stock Exchange (NSE). The mediating variable, financial performance, was measured using Return on Assets (ROA) (Nian & Said, 2025) and Return on Equity (ROE) (Nurjanah et al., 2025) and the dependent variable, firm value, will be measured using Market capitalisation (Sari Permata & Alkaf, 2020).

Results: This study has employed SmartPLS 3 for the data analysis. We have employed Structural Equation Modelling (SEM) as suggested by Gabriella Alodia Jovita (Jovita, 2023). Moreover, mediating analysis was also conducted to check the mediating impact on the ESG and Firm Value relationship using Bootstrapping in SmartPLS.

Structural Model Analysis

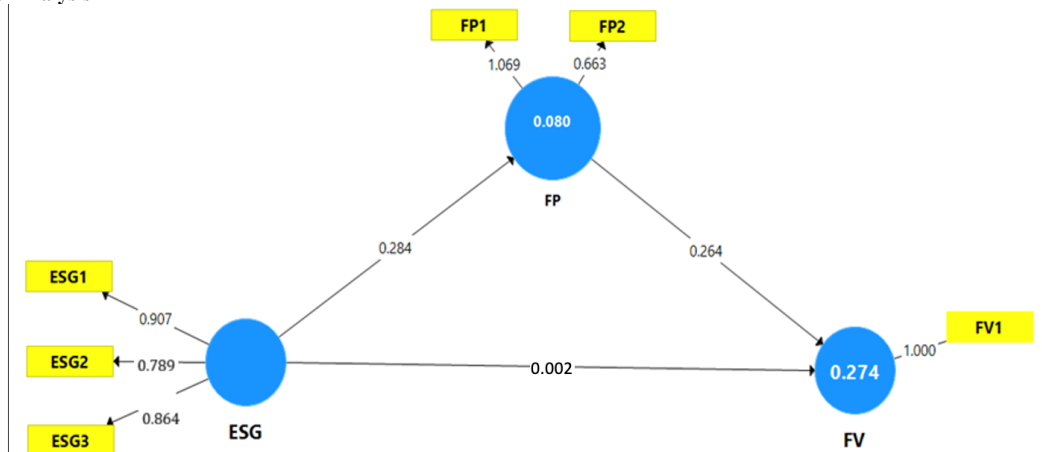


Figure 2: Path Analysis

Table 1: Model Fit

Model Fit Indices	Saturated Model	Estimated Model
SRMR	0.066	0.066
d ULS	0.092	0.092
d G	0.037	0.037
Chi-Square	17.81	17.81
NFI	0.867	0.867

Table 2: HTMT (Heterotrait–Monotrait Ratio)

Constructs	ESG	FP	FV
ESG	—		
FP	0.275	—	
FV	0.425	0.398	—

Table 3: Construct Reliability and Validity

Constructs	Cronbach's Alpha	rho A	Composite Reliability	Average Variance Extracted (AVE)
ESG	0.788	0.776	0.821	0.763
FP	0.829	0.968	0.878	0.791
FV	1.000	1.000	1.000	1.000

A model appears to be fit if the Standardised Root Mean Square Residual (SRMR) value is <0.10 (Wijayanto & Supanto, 2025b). Here, the model demonstrated satisfactory fit, with SRMR (0.066) well below the 0.08 threshold. Even d_ULD (0.092) and D_G (0.037) are within the acceptable range, and NFI (0.867) indicated good convergence, consistent with PLS-SEM analysis. Cronbach's Alpha was also above 0.7 for both ESG (0.788) and FP (0.829). Composite Reliability ranged from 0.748 to 1, and average variance extracted (AVE) was all greater than 0.5. Discriminant validity was also confirmed as all HTMT ratios were below 0.85, with the highest value being 0.425, ensuring that the constructs were distinct and free from cross-loading concerns.

Table 4: F-square

RESULT	VALUE
F-Square ESG -> FP	0.087
F-Square ESG -> FV	0.185
F-Square FP-> FV	0.088

F-Square values are small but meaningful. ESG→FP (0.087) and FP→FV(0.088) indicated low-moderate impact (0.02-0.15 range); ESG→FV (0.185) indicated moderate impact. F-square shows how much each predictor contributes to explaining the variance in the outcome, which ultimately helps us in judging its practical importance beyond just looking at p-values (Aburumman et al., 2023).

Table 5: Path Coefficient Test Results

Path	Beta	T Statistics	P Values	Hypothesis
ESG -> FV	0.052	1.351	0.182	Rejected
ESG -> FP	0.208	2.393	0.017	Accepted
FP -> FV	0.262	2.264	0.023	Accepted
ESG -> FP -> FV	0.043	2.023	0.025	Accepted

Based on the test results, Hypothesis 1 (ESG→FV) is rejected, which means ESG does not have a significant effect on Firm Value, T-statistics and P values being 1.351 and 0.182, respectively, meeting two-tailed significance at 5% level in bootstrapping. Hypothesis 2 (ESG→FP) is accepted, which indicates ESG has a strong impact on financial performance, where T-statistics and P values are 2.393 and 0.017 <0.05. Hypothesis 3 (FP→FV) is also accepted, which indicates Financial Performance drives Firm Value, consistent with standard significance criteria.

The indirect path ESG→FP→FV is significant (T statistics = 2.023, p = 0.005). which establishes Financial Performance (FP) as a mediator. This means that ESG does not directly improve firm value, but it enhances it indirectly by improving financial performance. Although statistically significant, the results are small, indicating weak mediation.

Discussion

The findings of this study show that ESG does not exert a direct influence on firm value among NSE-listed companies; instead, financial performance emerges as a critical pathway through which ESG initiatives translate into value creation (Devi & Y, 2024b) This finding directly aligns with instrumental stakeholder theory (Tan, 2024), which views stakeholder relationships as strategic levers for boosting corporate outcomes. In practice, ESG efforts generate reputational benefits, risk mitigation and operational efficiencies (Efthymiou et al., 2023), but these advantages only become visible to investors once they are reflected in financial metrics like ROA and ROE, leading to tangible benefits.

Importantly, the mediation effect identified in this study is statistically significant but modest in magnitude, suggesting that while ESG contributes to firm value indirectly, its impact remains limited in the short term (Ifeyanichukwu & Amadi, 2026). This aligns with the broader literature that emphasizes ESG as a long-term strategic investment rather than a driver of immediate market valuation (Rayis et al., 2025). The Indian context further reinforces this interpretation: ESG adoption is largely driven by SEBI mandates and regulatory compliance (Sharma et al., 2020), which may encourage disclosures practices without fully embedding sustainability into operational strategies. Consequently, the translation of ESG into financial and market value is still evolving (Mazumder et al., 2025).

Overall, the results highlight the essence of integrating ESG into corporate strategy not merely as a compliance exercise but as a driver of financial competitiveness (Khan et al., 2015). Managers should recognise that ESG initiatives enhance firm value (Abdelaty DIFALLA, 2026) only when they strengthen financial performance, underscoring the need for profitability-driven sustainability strategies.

Implications

Managers should treat ESG not as a compliance-only activity but as a strategic lever. Because ESG influences firm value indirectly through financial performance, sustainability initiatives should be prioritized based on their potential to enhance operational efficiency and profitability. Regulators should consider moving beyond mere disclosure mandates. Incentivizing the integration of ESG into core business strategies- rather than just reporting would more effectively drive long-term value creation.

Limitations and Future Scope

Although this study provides new insights into the ESG-Firm Value relationship through the lens of financial performance but not have inevitable to limitations. As this study focused on NSE-listed companies, findings may not be generalizable to non-listed companies or emerging markets with different regulatory environments. The identified mediation effect, while significant, is modest in magnitude, suggesting that short-term market fluctuations or external macroeconomic factors may partially obscure the full impact of ESG on firm value. Future research should employ longer horizons to capture lagged effects of ESG adoption, determining if the impact on firm value strengthens as sustainability strategies mature. Researchers are encouraged to incorporate other metrics, such as Tobin'Q or P/E ratios, to provide a more robust assessment. Further investigation into cross-industry differences would clarify whether the mediating role of financial performance is consistent across various sectors.

Conclusion

This study provides empirical evidence that ESG disclosures do not directly affect firm value in the Indian market (Ifeyanichukwu & Amadi, 2026). Instead, financial performance acts as a significant mediator that bridges the relationship between ESG and firm value (Rayis et al., 2025). The findings of this research paper state that investors perceive ESG efforts as valuable only when they are reflected in improved financial outcomes of the company (Sitola et al., 2025).

From an implication perspective, the approach of the managers should be strategic towards ESG implementation, ensuring that sustainability initiatives contribute to profitability and operational efficiency (Halder, 2026). For policymakers and regulators, the results suggest that disclosure mandates alone may not prove to be sufficient. Stronger incentives for integrating ESG into core business practices by the companies are necessary to realize long-term value creation (Desai, 2024).

Future research should extend this analysis by employing longer time horizons, sector-specific comparisons, and alternative measures of firm value such as Tobin's Q or price-to-earnings ratio. Such studies would provide deeper insights into how ESG integration evolves in emerging markets and how its financial implications shape firm valuation over time

References

- Abdelaty DIFALLA, S. (2026). Statistical Analysis to Measure the Impact of ESG Disclosure on Firm Value and Stock Performance: Evidence from Saudi Arabia. *Journal of Statistics Applications & Probability*, 15(3), 403–453. <https://doi.org/10.18576/jsap/150306>
- Aburumman, O. J., Omar, K., Al Shbail, M., & Aldoghan, M. (2023). How to Deal with the Results of PLS-SEM? In B. Alareeni & A. Hamdan (Eds.), *Explore Business, Technology Opportunities and Challenges After the Covid-19 Pandemic* (Vol. 495, pp. 1196–1206). Springer International Publishing. https://doi.org/10.1007/978-3-031-08954-1_101
- Agrawal, S., Mathivathanan, D., Mathiyazhagan, K., & Krishnan, S. N. (2026). Decoding the path to environmental, social, and governance integration in Indian businesses: A contextual and structural analysis of drivers. *OPSEARCH*. <https://doi.org/10.1007/s12597-025-01086-7>
- Akhmadi, A., Mulyani, A. S., & Noviansyah, N. (2022). Capital Structure, Profitability, and Firm Value. *Jurnal Riset Akuntansi Terpadu*, 15(2), 180. <https://doi.org/10.35448/jrat.v15i2.16929>
- Alkaraan, F., Albitar, K., Hussainey, K., & Venkatesh, V. (2022). Corporate transformation toward Industry 4.0 and financial performance: The influence of environmental, social, and governance (ESG). *Technological Forecasting and Social Change*, 175, 121423. <https://doi.org/10.1016/j.techfore.2021.121423>
- Aydoğmuş, M., Gülay, G., & Ergun, K. (2022). Impact of ESG performance on firm value and profitability. *Borsa Istanbul Review*, 22, S119–S127. <https://doi.org/10.1016/j.bir.2022.11.006>
- Aziz, N. H. A., & Alshdaifat, S. M. (2024). ESG Reporting: Impacts, Benefits and Challenges. In H. Alshurafat, A. Hamdan, & J. Sands (Eds.), *Sustainable Horizons for Business, Education, and Technology* (pp. 69–76). Springer Nature Singapore. https://doi.org/10.1007/978-981-97-2981-4_5
- Bani-Khaled, S., Azevedo, G., & Oliveira, J. (2025a). Environmental, social, and governance (ESG) factors and firm value: A systematic literature review of theories and empirical evidence. *AMS Review*, 15(1–2), 228–260. <https://doi.org/10.1007/s13162-025-00303-2>
- Bhimavarapu, V. M., Rastogi, S., Kanoujiya, J., & Rawal, A. (2023). Repercussion of financial distress and corporate disclosure on the valuation of non-financial firms in India. *Future Business Journal*, 9(1), 62. <https://doi.org/10.1186/s43093-023-00248-7>
- Boiral, O., & Paillé, P. (2012). Organizational Citizenship Behaviour for the Environment: Measurement and Validation. *Journal of Business Ethics*, 109(4), 431–445. <https://doi.org/10.1007/s10551-011-1138-9>
- Bouattour, A., Kalai, M., & Helali, K. (2024). The non-linear relationship between ESG performance and bank stability in the digital era: New evidence from a regime-switching approach. *Humanities and Social Sciences Communications*, 11(1), 1445. <https://doi.org/10.1057/s41599-024-03876-8>
- Brin, P., & Nehme, M. N. (2019). CORPORATE SOCIAL RESPONSIBILITY: ANALYSIS OF THEORIES AND MODELS. *EUREKA: Social and Humanities*, 5, 22–30. <https://doi.org/10.21303/2504-5571.2019.001007>
- Cek, K., & Eyupoglu, S. (2020). DOES ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE INFLUENCE ECONOMIC PERFORMANCE? *Journal of Business Economics and Management*, 21(4), 1165–1184. <https://doi.org/10.3846/jbem.2020.12725>
- Chen, S., Song, Y., & Gao, P. (2023). Environmental, social, and governance (ESG) performance and financial outcomes: Analyzing the impact of ESG on financial performance. *Journal of Environmental Management*, 345, 118829. <https://doi.org/10.1016/j.jenvman.2023.118829>
- Daugaard, D. (2020). Emerging new themes in environmental, social and governance investing: A systematic literature review. *Accounting & Finance*, 60(2), 1501–1530. <https://doi.org/10.1111/acfi.12479>
- Deng, X., & Cheng, X. (2019). Can ESG Indices Improve the Enterprises' Stock Market Performance?—An Empirical Study from China. *Sustainability*, 11(17), 4765. <https://doi.org/10.3390/su11174765>
- Desai, R. (2024). Analysing the Firm Value Effects of Environmental, Social and Governance Disclosure: Empirical Study of Indian Firms. *NMIMS Management Review*, 32(1), 58–67. <https://doi.org/10.1177/09711023241264679>
- Devi, P., & Y, S. (2024a). Relationship of ESG Scores with Firm Performance: A Study of Indian Listed Companies. *IMIB Journal of Innovation and Management*. <https://doi.org/10.1177/jinm.241242865>
- Dinu, E., Cocoşatu, M., Palăr, V., & Neamtu, F. (2025). Exploring the Role of Intercultural Communication and Cultural Intelligence in Enhancing Stakeholder Engagement and ESG Practices in International Organisations: Insights from the UN. *Sustainability*, 17(22), 10388. <https://doi.org/10.3390/su172210388>
- Efthymiou, L., Kulshrestha, A., & Kulshrestha, S. (2023). A Study on Sustainability and ESG in the Service Sector in India: Benefits, Challenges, and Future Implications. *Administrative Sciences*, 13(7), 165. <https://doi.org/10.3390/admsci13070165>
- Evans, J. R., & Peiris, D. (2010). The Relationship between Environmental Social Governance Factors and Stock Returns. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.1725077>
- Fassin, Y. (2012). Stakeholder Management, Reciprocity and Stakeholder Responsibility. *Journal of Business Ethics*, 109(1), 83–96. <https://doi.org/10.1007/s10551-012-1381-8>
- Freeman, R. E., & McVea, J. (2005). A Stakeholder Approach to Strategic Management. In M. A. Hitt, R. E. Freeman, & J. S. Harrison (Eds.), *The Blackwell Handbook of Strategic Management* (1st ed., pp. 183–201). Wiley. <https://doi.org/10.1111/b.9780631218616.2006.00007.x>
- Friede, G., Busch, T., & Bassen, A. (2015). ESG and financial performance: Aggregated evidence from more than 2000 empirical studies. *Journal of Sustainable Finance & Investment*, 5(4), 210–233. <https://doi.org/10.1080/20430795.2015.1118917>
- Grim, D. M., & Berkowitz, D. B. (2020). ESG, SRI, and Impact Investing: *A Primer for Decision-Making*. *The Journal of Impact and ESG Investing*, 1(1), 47–65. <https://doi.org/10.3905/jesg.2020.1.1.047>
- Gupta, S., & Goldar, B. (2005). Do stock markets penalize environment-unfriendly behaviour? Evidence from India. *Ecological Economics*, 52(1), 81–95. <https://doi.org/10.1016/j.ecolecon.2004.06.011>
- Halder, S. (2026). Measuring ESG Efficiency and Its Drivers: Insights from Indian Firms with Implications for Circular Economy and Green Finance. In V. Kandpal, W. Leal Filho, K. Frizzo, N. Aguilar-Rivera, & T. Choudhury (Eds.), *Green Horizons: Advancing Climate Solutions Through Green Finance, Circular Economy, and ESG* (pp. 99–120). Springer Nature Switzerland. https://doi.org/10.1007/978-3-032-03484-7_6
- Ifeanyichukwu, S., & Amadi, C. (2026). Impact of ESG Disclosures on Financial Performance of Firms in The United Kingdom. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.6034236>
- Jovita, G. A. (2023). Impact of ESG Implementation on Financial Performance and Capital Structure. *Jurnal Informatika Ekonomi Bisnis*, 1480–1486. <https://doi.org/10.37034/infab.v5i4.778>
- Kansal, M., Joshi, M., & Batra, G. S. (2014). Determinants of corporate social responsibility disclosures: Evidence from India. *Advances in Accounting*, 30(1), 217–229. <https://doi.org/10.1016/j.adiac.2014.03.009>
- Kastens, K. (2025). When Does ESG Become Valuable? The Impact of ESG Ratings on Profitability and Market Value of Companies. *Czech Journal of Economics and Finance*, 75(2), 128–169. <https://doi.org/10.32065/CJEF.2025.02.02>
- Khan, M., Serafeim, G., & Yoon, A. (2015). Corporate Sustainability: First Evidence on Materiality. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2575912>
- Khojastehpour, M., & Johns, R. (2014). The effect of environmental CSR issues on corporate/brand reputation and corporate profitability. *European Business Review*, 26(4), 330–339. <https://doi.org/10.1108/EBR-03-2014-0029>
- Koley, J. (2025). Effectiveness of adopting ESG framework in India: A critical study. *International Journal of Research in Marketing Management and Sales*, 7(2), 111–122. <https://doi.org/10.33545/26633329.2025.v7.i2b.274>
- Kostyuchenko, V., Tertychna, A., Shavlova, K., & Shykuta, V. (2024, April 26). ESG REPORTING AS A TOOL FOR CREATING VALUE IN THE

- CONTEXT OF SUSTAINABILITY. *RICERCHE SCIENTIFICHE E METODI DELLA LORO REALIZZAZIONE: ESPERIENZA MONDIALE E REALTÀ DOMESTICHE*. *RICERCHE SCIENTIFICHE E METODI DELLA LORO REALIZZAZIONE: ESPERIENZA MONDIALE E REALTÀ DOMESTICHE*. <https://doi.org/10.36074/logos-26.04.2024.010>
- Kumar, S., & Shetty, S. (2018). Does environmental performance improve market valuation of the firm: Evidence from Indian market. *Environmental Economics and Policy Studies*, 20(2), 241–260. <https://doi.org/10.1007/s10018-017-0192-7>
- Kumari, R., Chaudhuri, T. D., & Ghosh, I. (2024). Tobin's q and firm performance: MCDM and clustering-based approach for Indian companies. *International Journal of Business Information Systems*, 45(4), 564–590. <https://doi.org/10.1504/IJBIS.2024.138048>
- Maji, S. G., & Lohia, P. (2026). Unveiling the financial effect of ESG disclosure on financial performance in India: Climate-sensitive corporates' perspective. *International Journal of Ethics and Systems*, 42(1), 109–131. <https://doi.org/10.1108/IJOES-02-2024-0039>
- Margolis, J. D., Elfenbein, H. A., & Walsh, J. P. (2009). Does it Pay to Be Good...And Does it Matter? A Meta-Analysis of the Relationship between Corporate Social and Financial Performance. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.1866371>
- Martha, H., & Khomsiyah, K. (2023). THE EFFECTS OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ON CORPORATE PERFORMANCE. *Jurnal Ilmiah Bisnis Dan Ekonomi Asia*, 17(1), 112–120. <https://doi.org/10.32815/jibeka.v17i1.1380>
- Mazumder, S. G., Dey, P., Bora, J., & Bora, T. (2025). Unraveling the Financial Impact of ESG Performance: Evidence from NSE Listed Companies in India. *International Journal of Economics and Financial Issues*, 15(5), 38–45. <https://doi.org/10.32479/ijefi.19471>
- Meng, T., Dato Haji Yahya, M. H., Ashhari, Z. M., & Yu, D. (2023). ESG performance, investor attention, and company reputation: Threshold model analysis based on panel data from listed companies in China. *Heliyon*, 9(10), e20974. <https://doi.org/10.1016/j.heliyon.2023.e20974>
- Mishra, R. K., & Kapil, S. (2018). Board characteristics and firm value for Indian companies. *Journal of Indian Business Research*, 10(1), 2–32. <https://doi.org/10.1108/JIBR-07-2016-0074>
- Neuenroth, K., & Zureck, A. (2024). *The Influence of ESG Ratings on the Performance of Listed Companies in Germany during Crisis*. SSRN. <https://doi.org/10.2139/ssrn.4906409>
- Nian, H., & Said, F. F. (2025). The Impact of ESG on Firm Risk and Financial Performance: A Systematic Literature Review. *Journal of Scientometric Research*, 13(3s), s144–s155. <https://doi.org/10.5530/jscires.20041187>
- Nollet, J., Filis, G., & Mitrokostas, E. (2016). Corporate social responsibility and financial performance: A non-linear and disaggregated approach. *Economic Modelling*, 52, 400–407. <https://doi.org/10.1016/j.econmod.2015.09.019>
- Nurjanah, S., Wijaya, S. N., Komara, A., & Mahadianto, M. Y. (2025). Financial Performance Evaluation: The Role of ROA and ROE in Increase Company Value. *International Journal of Business, Economics, and Social Development*, 6(2), 264–270. <https://doi.org/10.46336/ijbesd.v6i2.916>
- Ojha, Dr. D. (2025). SUSTAINABILITY REPORTING AND ITS EFFECT ON FIRM VALUATION. *International Journal of Research in Commerce and Management Studies*, 07(04), 595–606. <https://doi.org/10.38193/IJRCMS.2025.7445>
- Panda, A. K., Nanda, S., Hegde, A., & Paital, R. R. (2024). Revisiting the Drivers of Firm Value: An Empirical Investigation on Manufacturing Firms. *Business Perspectives and Research*, 12(3), 382–399. <https://doi.org/10.1177/22785337221148549>
- Passas, I. (2024). The Evolution of ESG: From CSR to ESG 2.0. *Encyclopedia*, 4(4), 1711–1720. <https://doi.org/10.3390/encyclopedia4040112>
- Pedrini, M., & Ferri, L. M. (2019). Stakeholder management: A systematic literature review. *Corporate Governance: The International Journal of Business in Society*, 19(1), 44–59. <https://doi.org/10.1108/CG-08-2017-0172>
- Putra, F. K., & Budastra, M. A. (2024). THE MEDIATING ROLE OF FINANCIAL PERFORMANCE IN ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) AND FIRM VALUE. *Jurnal Akuntansi Bisnis*, 17(1), 1. <https://doi.org/10.30813/jab.v17i1.4931>
- Raher, R., Antoniuk, D., Antoniuk, K., Tkachenko, A., & Yanushkevych, M. (2026). From ESG integration to strategic resilience: Rethinking corporate financial governance. *RIVISTA DI STUDI SULLA SOSTENIBILITA'*, 10(2), 5. <https://doi.org/10.3280/riss2025oa21101>
- Rayis, D. A., Juanda, A., & Wicaksono, A. P. N. (2025). The effect of ESG performance on firm value: Financial performance as a mediating variable. *Jurnal Akuntansi & Auditing Indonesia*, 286–297. <https://doi.org/10.20885/jaai.vol29.iss2.art8>
- Sari, D. D. I., & Valdiansyah, R. H. (2025). Effectiveness of ESG practices in enhancing firm value: Evidence from Indonesian banking. *Journal of Contemporary Accounting*, 226–238. <https://doi.org/10.20885/jca.vol7.iss3.art6>
- Sari Permata, I., & Alkaf, F. T. (2020). ANALYSIS OF MARKET CAPITALIZATION AND FUNDAMENTAL FACTORS ON FIRM VALUE. *Journal of Accounting and Finance Management*, 1(1), 59–71. <https://doi.org/10.38035/jafm.v1i1.12>
- Shakil, M. H. (2021). Environmental, social and governance performance and financial risk: Moderating role of ESG controversies and board gender diversity. *Resources Policy*, 72, 102144. <https://doi.org/10.1016/j.resourpol.2021.102144>
- Sharma, P., Panday, P., & Dangwal, R. C. (2020). Determinants of environmental, social and corporate governance (ESG) disclosure: A study of Indian companies. *International Journal of Disclosure and Governance*, 17(4), 208–217. <https://doi.org/10.1057/s41310-020-00085-y>
- Sheli, S. V., Department of Management, Shrimati Indira Gandhi College, Tiruchirappalli, Tamil Nadu, India, Dharmotharan, D., Rengaraju, N., Natarajan, B., & Sedhulakshmi, S. (2026). Impact of ESG on Profitability and Firm Value: An Empirical Study of Indian Companies Under BRSR Framework. *International Journal of Scientific Research in Engineering and Management*, 10(01), 1–9. <https://doi.org/10.55041/IJSREM55783>
- Sitola, D., Choudhury, S., Senapati, C., & Bhattacharyya, A. (2025). Does ESG Performance Enhance Financial Outcomes? Empirical Evidence from Indian FMCG Sector. *International Journal of Economics and Financial Issues*, 15(6), 555–563. <https://doi.org/10.32479/ijefi.21382>
- Tan, L. (2024). Improving Corporate Performance through Stakeholder-Based ESG Practices. *Journal of Education, Humanities and Social Sciences*, 30, 6–12. <https://doi.org/10.54097/jts5nw21>
- Tripathi, V., & Aggarwal, P. (2018). Value effect in Indian stock market: An empirical analysis. *International Journal of Public Sector Performance Management*, 4(2), 146. <https://doi.org/10.1504/IJPSPM.2018.090735>
- Velte, P. (2017). Does ESG performance have an impact on financial performance? Evidence from Germany. *Journal of Global Responsibility*, 8(2), 169–178. <https://doi.org/10.1108/JGR-11-2016-0029>
- Wijayanto, A., & Supanto, F. (2025a). ESG Performance, Firm Value, and the Mediating Role of Financial Performance: Evidence From top ESG Companies in the Largest Asean Economies. *Studies in Business and Economics*, 20(3), 366–386. <https://doi.org/10.2478/sbe-2025-0059>
- Wu, S., Zhou, F.-Y., Si, D.-K., & Hao, J. (2025). Does ESG rating policy reduce corporate risk-taking? Evidence from China. *Pacific-Basin Finance Journal*, 90, 102654. <https://doi.org/10.1016/j.pacfin.2024.102654>
- Yeh, T., Xiao, Y., & Daniel, S. J. (2024). Stakeholder influences on management control systems for ESG governance and reporting in the global automotive industry. *Journal of Corporate Accounting & Finance*, 35(2), 103–120. <https://doi.org/10.1002/jcaf.22671>
- Zaiane, S., & Ellouze, D. (2023). Corporate social responsibility and firm financial performance: The moderating effects of size and industry sensitivity. *Journal of Management and Governance*, 27(4), 1147–1187. <https://doi.org/10.1007/s10997-022-09636-7>
- Zheng, Y., Pu, S., Sun, X., & Gu, J. (2025). Research on the Impact of ESG Performance on Firm Value. *Polish Journal of Environmental Studies*. <https://doi.org/10.15244/pjoes/205507>