

# A Study on Multi-Criterion Analysis of ESG Variables on Financial Performance : Evidence from BRICS Nations

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## Abstract

This paper aimed to test the impact of Environmental, Social, and Governance (ESG) on financial performance (FP) as they became more crucial during the pandemic. We collected the selected BRICS nations' ESG for 143 companies' data. Convenient sampling is applied to collect the data for analysis. We used different multi-criterion decision and econometric models to test the stated hypotheses. The techniques used are from the unit root system from the E-Views 12 platform. The study's results indicated that the ESG and FP are normally distributed, have no unit root relationship, and are stationary. Findings indicated that investment in ESG factors would positively impact the select sample's FP. The study shows that Economic, Social and Governance variables positively influence and have long-term equilibrium on FP. The study provides insights into the existing ESG literature specific to BRICS nations. Further, findings can guide regulators, policymakers, shareholders and government.

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**Keywords :** Financial Performance; Social; Environment; Governance; BRICS; ECG

## I. Introduction

ENVIRONMENTAL, SOCIAL AND Governance are synonyms for corporate social responsibility in this contemporary world that gained momentum in academia. It is a qualitative measure that discloses the data of CSR practices adopted by the companies. Past researchers focused on understanding the implications of CSR activities and FP (Bae, Ghoul, Guedhami, Kwok and Zheng, 2019). But, ESG enables a more robust effort to quantify sustainability. ESG increases the net worth of business and earnings per share of the companies. ESG focuses on ethics, financial sense and

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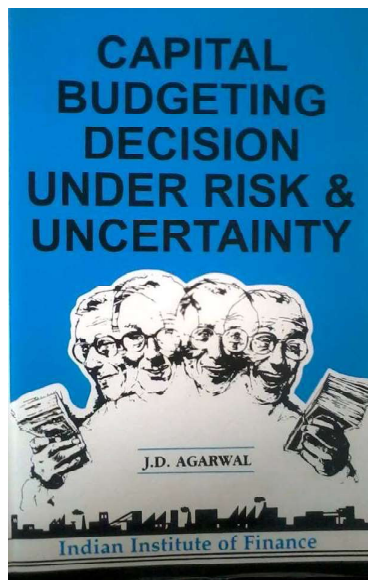
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## Capital Budgeting Decision under Risk & Uncertainty

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