

# Environmental, social, governance: Implications for businesses and effects for stakeholders

## 1 | BACKGROUND AND FOCUS OF THE SPECIAL ISSUE

The number of firms that employ sustainability strategies and disclose Environmental, Social, Governance (ESG) information is growing worldwide, as fast as ESG concerns are increasing (Engle, Giglio, Kelly, Lee, & Stroebel, 2019). As pointed out by Larry Fink, Blackrock Chairman and CEO, in his 2019 letter to the CEOs of portfolio companies, “unnerved by fundamental economic changes and the failure of government to provide lasting solutions, society is increasingly looking to companies, both public and private, to address pressing social and economic issues. [...] *Environmental, social, and governance issues will be increasingly material to corporate valuations.*” Moreover, in the recent months, the CEOs of nearly 200 companies said that shareholder value is no longer their main objective and are abandoning the long-held view that shareholders’ interests should come first (Business Roundtable, 2019), bearing in mind that “*most CEOs want to do the right thing by all their stakeholders, and most shareholders want to support them in being responsible*” (Summers, 2019). This rethinking of purpose is in line with an increasing number of companies that have voluntarily integrated social and environmental policies in their business model and operations, reporting their environmental and social performance, in addition to their financial performance disclosure (Serafeim, 2014).

At the same time, governments and regulators worldwide are increasingly focusing on ESG practices to protect consumers and foster a more sustainable behaviour by companies and investors.

Decision makers, policymakers, stakeholders, investors, and corporate managers alike need to understand the implications and effects that a new regulatory framework has on strategies, business models, financial measures, and investment decision. For instance, “the EU policy for sustainable finance is not only a policy in the EU (the third polluter of the world responsible for 10% of the emissions), but thanks to the EU political leadership in the area may become a policy for the world, or at least the world biggest economies Nava (forthcoming). New rules are expected to bring about more long-term focus in corporate governance and address a number of governance shortcomings (Brogi & Lagasio, 2019; Cucari, Esposito De Falco, & Orlando, 2018; Lagasio & Cucari, 2019; Lo & Kwan, 2017). For instance, the question of how compatible ESG criteria are with corporate financial performance has remained central in the debate for practitioners and academics alike for more than 40 years (Friede, Busch, & Bassen, 2015).

Yet, far too little research is being conducted to provide the critical insights that companies and managers need to adjust how they plan, measure, forecast, or innovate conduct and culture in light of opportunities of ESG factors, which has caused fundamental changes to occur in business models and management theory (Xie, Nozawa, Yagi, Fujii, & Managi, 2019).

*Corporate Social Responsibility and Environmental Management*, given its wide recognition as a top journal across many disciplines (Business, Environmental Studies, and Management), seeks to stake a leadership position in addressing this deficit by spurring a wide array of scholars to conduct more rigorous and relevant research in this critical area.

The process of reflecting on analysing and reporting ESG issues provides important insights into the positive and negative implications for corporate strategy, financial and operational performance, and stakeholder relations. New implications for companies and for stakeholders associated with ESG rules and practices as well as suggestions to guide policymaking will be addressed in the Special Issue.

This Special Issue will stand as a standard reference work for students, academics, policymakers, analysts, and other professionals. We encourage submissions of both theoretical and empirical papers that explore different areas of investigation related to firms and investors, their ESG strategies, and organizational structures. The call for papers is open to a broad interdisciplinary and multidisciplinary audience including academics as well as practitioners, expert on this area of research.

We seek papers that can draw down the paradigm of ESG as drive future research in the following (but not limited to) areas:

- **Definition:** To clarify the concepts of ESG in order to examine their overlaps, delineate their boundaries, and map out ESG research and practice;
- **Business strategy:** To develop a range of analytical approaches, theoretical constructs, and metrics for decision making, business model, and reporting;
- **Reporting and disclosure:** To align the procedures of ESG integration and implementation in companies and investors
- **Market:** To help issuers and investors navigate the complex landscape of ESG;
- **Organizational:** To make companies more aware of the importance of providing high quality ESG information, and stimulate interest in the innovation opportunities opened by this new paradigm.

The Special Issue will be associated with the International Conference on Environmental, Social and Governance to be held in 2020, which is going to attract academics as well as institutions representatives and practitioners worldwide. Further information related to the conference will follow.

## 2 | IMPORTANT DATES

- Submission of full papers will open on: October 1, 2019
- Manuscript submission deadline: February 1, 2020
- Paper in the final version: June 15, 2020
- Publication: expected within the year 2020

## 3 | PAPER SUBMISSION PROCEDURE

- Submission to the special issue should be sent electronically to Guest Editors: marina.brogi@uniroma1.it; ncucari@unisa.it and valentina.lagasio@uniroma1.it
- Papers will undergo at least a double-blind, developmental review as per the standard review process followed by Corporate Social Responsibility and Environmental Management
- Final acceptance of approved papers will be contingent on incorporating reviewer feedback to the satisfaction of the Guest Editors.
- Submitted papers should not have been previously published nor be currently under consideration for publication elsewhere
- Please kindly read the author guidelines on the journal home page before submitting your manuscript, to ensure that it is consistent with the journal style (<https://onlinelibrary.wiley.com/page/journal/15353966/homepage/forauthors.html>)

For any further information, please do not hesitate to contact the Guest Editors Dr. Nicola Cucari (ncucari@unisa.it) and Dr. Valentina Lagasio (valentina.lagasio@uniroma1.it)

Robert Engle<sup>1</sup>

Marina Brogi<sup>2</sup>

Nicola Cucari<sup>3</sup>

Valentina Lagasio<sup>2</sup>

<sup>1</sup>(Honorary Guest Editor), NYU Stern School of Business, New York, US

<sup>2</sup>Sapienza University of Rome, Italy

<sup>3</sup>University of Salerno and Pegaso University, Italy

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