

Editorial

Editorial on the Volume “ESG Investing and ESG Finance”

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In the ever-evolving world of finance, ESG (Environmental, Social, and Governance) investing and finance have emerged as pivotal areas of study. The volume “ESG Investing and ESG Finance” delves deep into this space, bringing together nine astutely crafted papers that shed light on the multifaceted implications of ESG practices across different sectors and regions.

“Exploring Dynamic Asset Pricing within Bachelier’s Market Model” (Nyarko et al. 2023) provides an innovative perspective on asset pricing dynamics, laying a foundation for the discussions that follow. A deep dive into “The Effect of Sustainability Information Disclosure on the Cost of Equity Capital” (Li et al. 2023) exemplifies the intertwining of sustainability information with cost structures, further solidified by a data-driven approach examining the Gartner Top 50 Supply Chain Rankings.

It is intriguing to witness the overlay of ESG considerations with the WTI financialization process through energy funds, as detailed in “Environmental, Social, and Governance Considerations in WTI Financialization through Energy Funds.” (Gormus et al. 2023). A unique exploration is presented in “ESG Investing in ‘White Gold’: the case of Lebanese Salinas” (Boustani and Abidib 2023), showcasing niche areas where ESG practices make profound impacts.

One of the standout papers, “Dissecting the explanatory power of ESG features on equity returns by sector, capitalization, and year with interpretable machine learning” (Assael et al. 2023), employs advanced technological methodologies to draw insights. This is juxtaposed with a grounded analysis of the “Impact of Environmental, Social, and Governance Activities on the Financial Performance of Indian Health Care Sector Firms” (Agarwal et al. 2023) using competition as a lens of scrutiny.

This volume then navigates to the banking industry of India, elucidating “The Influence of Transparency and Disclosure on the Valuation of Banks in India” (Bhimavarapu et al. 2022), while highlighting the multifactorial impacts of ESG variables, shareholder activism, and market power. A shift in landscape and sector brings us to “Hedonic Models of Real Estate Prices: GAM and Environmental Factors” (Bailey et al. 2022), a pivotal exploration in today’s real-estate investment scenarios.

Concluding this comprehensive volume is “Relationships between ESG Disclosure and Economic Growth: A Critical Review” (Hassani and Bahini 2022), which succinctly ties the manifold threads together, emphasizing the broader macroeconomic implications of ESG practices.

Each paper in this volume not only accentuates the importance of ESG considerations but also offers a kaleidoscope of research methodologies, sectoral examinations, and regional nuances. For anyone seeking to understand the present and future trajectories of ESG investing and finance, this volume stands as an indispensable read.

Conflicts of Interest: The authors declare no conflict of interest.



Citation: Rachev, Svetlozar (Zari), and W. Brent Lindquist. 2023. Editorial on the Volume “ESG Investing and ESG Finance”. *Journal of Risk and Financial Management* 16: 422. <https://doi.org/10.3390/jrfm16100422>

Received: 20 September 2023

Accepted: 22 September 2023

Published: 23 September 2023



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