

Does having a good ESG score even help?



The answer is YES, it does! A strong Environmental, Social, and Governance (ESG) score means a company is likely to take fewer risks, whether avoiding environmental disasters or keeping its employees happy (a happy workforce tends to be less explosive, after all).

Companies that perform well in ESG metrics often outperform their peers. It's not magic—it's just good business. By managing risks better, they build more decisive, more sustainable operations that investors love. This is why ESG metrics have gained widespread acceptance over the years. Investors realise that reviewing ESG ratings alongside financial reports isn't just about being 'green'; it's about making wise investments. After all, who wouldn't want to back a company that's both profitable and responsible? It's like having your cake and eating it—without the guilt!

The organisation's vision and mission should be sustainability-aligned.

Less Risk, More Reward

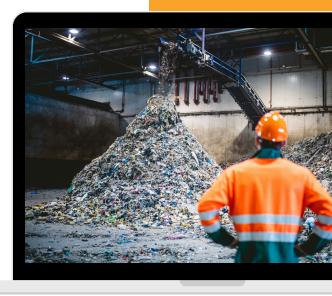




For instance, a company with strong environmental policies may avoid costly those with transparent fines. while governance practices prevent scandals. Numerous studies show that companies excelling in ESG metrics avoid risks and position themselves for more substantial Consumers growth. and investors increasingly drawn to companies prioritising sustainability and ethical practices.

The ESG Surge: Investors Are Paying Attention

It's not just companies embracing ESG; investors are paying close attention, too. The demand for sustainable investment options has skyrocketed. But we're not talking about niche green funds. Serious investors now realise that reviewing a company's ESG ratings alongside its financials is crucial for evaluating long-term viability.



Gone are the days when a profitable bottom line was enough. Investors now want to understand how companies operate, who they impact, and whether their practices are sustainable. ESG ratings help spot companies likely to endure and thrive while avoiding those facing a PR crisis or regulatory backlash down the line.

"Anything worth having takes time."



Take, for example, energy companies investing in renewable energy. They're not just following trends but preparing for long-term profitability as the world moves away from fossil fuels. Meanwhile, companies clinging to outdated, non-sustainable practices may be on borrowed time.

Future Prospects: ESG Isn't Just a Trend It's Here to Stay

Today, having a good ESG score isn't just a bonus—it's essential. Companies with strong ESG ratings reduce risks, appeal to consumers, and are increasingly attractive to investors. It's not about being perfect but showing a commitment to responsible practices and long-term sustainability.

As regulatory pressures increase and consumer awareness grows, ESG metrics will become more vital. So, the next time someone asks, "Does ESG matter?" you can confidently say, "Yes, it does." And maybe throw in a wink for good measure.



Thank You!



Follow <u>Sunny Revankar</u> for more ESG updates