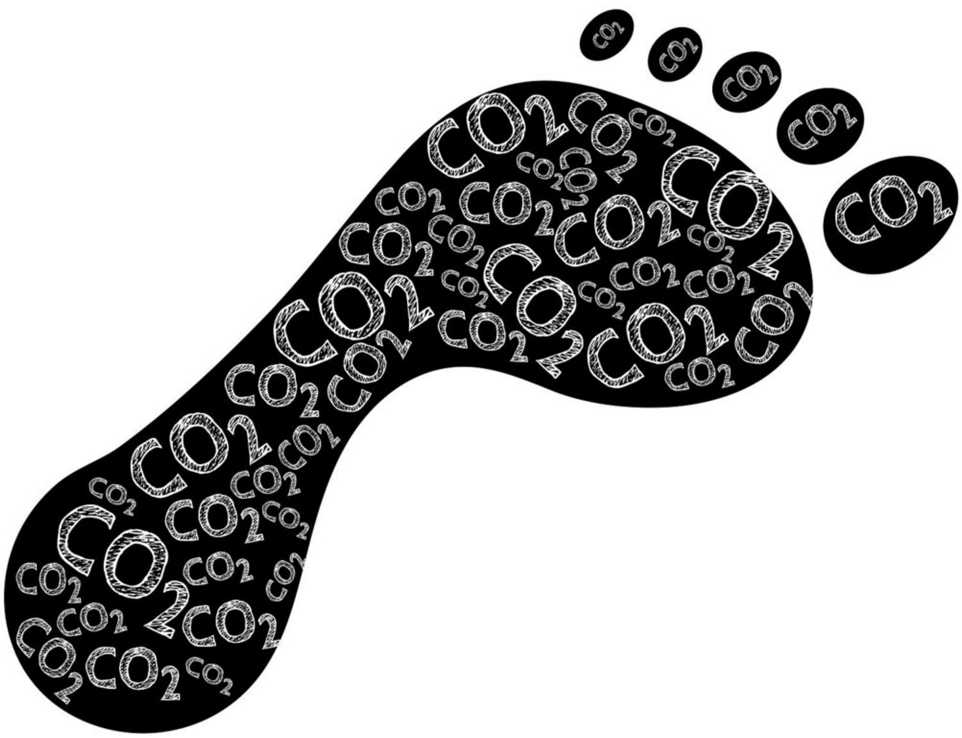
How do companies' climate change initiatives affect market value and greenhouse gas emissions?

February 22 2023



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In an analysis published in the *British Journal of Management* that included 592 firms from 35 countries operating from 2002–2019, higher levels of greenhouse gas emissions were negatively associated with market value, whereas climate change initiatives were positively linked with market value.

Surprisingly, climate change initiatives were positively related to increased levels of greenhouse gas emissions. The presence of a board sustainability committee—which plays a crucial role in designing environmental initiatives and introducing best sustainability management practices—was also associated with higher greenhouse gas emissions.

"Overall, our evidence supports the symbolic legitimation/greenwashing view in that firms are likely to employ process-based climate change initiatives under a symbolic approach to create positive impressions among stakeholders and protect their legitimacy," the authors wrote.

More information: Board Sustainability Committees, Climate Change Initiatives, Carbon Performance, and Market Value, *British Journal of Management* (2023). DOI: 10.1111/1467-8551.12715

Provided by Wiley

Citation: How do companies' climate change initiatives affect market value and greenhouse gas emissions? (2023, February 22) retrieved 18 June 2024 from https://phys.org/news/2023-02-companies-climate-affect-greenhouse-gas.html