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Does commitment to corporate sustainability benefit firms?

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Abstract

Firms are under a cascade of pressure from governments, activists, and media to contribute to solving grand societal and environmental challenges. An increasing number of firms join voluntary sustainability initiatives. Firms that seek legitimacy may join symbolically and do not exude a substantial change. Despite that, some firms may show significant improvement on various fronts and benefit from that. In this study, I look at the overall impact of commitment to the largest sustainability initiative—United Nations Global Compact (UNGC)—on technology development, alliance, and firm value. Findings on these indicators, through matching techniques and difference-in-difference, are reported.

Conference Track

Business Environment - Strategy, Policy, Law, Ethics