DOI: 10.47743/eufire-2024-1-27

ESG ASPECTS THAT INFLUENCE INVESTORS DECISION-MAKING – A QUALITATIVE ANALYSIS

PETER SCHMUNKAMP
Alexandru Ioan Cuza University of Iasi
Iasi, Romania
peter.schmunkamp@gmx.de

Abstract
Purpose – The purpose of this paper is to investigate the main aspects of ESG that influence decision making in the process of investments and to define an ESG word catalogue, that can be a basis for future research.
Design/methodology/approach – Research and papers about the influence of ESG information on investors decision making are discussed by a qualitative content analysis to define the most common topics of ESG. Furthermore, latest sustainability reports of the Dow Jones companies are analysed with a QCA with the aim to identify the most common used ESG words.
Findings – An all-encompassing statement on the question of which ESG topics are of high importance for investment decisions can only be made if investor groups are surveyed in addition to researchers and the respective companies. Nevertheless, this research provides a basis for future research that aims to further investigate the interactions between ESG information and market effects.
Originality/value – This paper provides important new insights that can be used to better define the key parameters of the ESG megatrend and, building on this, support further research in this area.
Keywords: *ESG; sustainability; investments; reporting; frameworks.*
JEL Classification: G11.

1. INTRODUCTION

Climate change, social injustice and financial crimes are scenarios which come to the fore in the public's opinion (Hironaka, 2002). Deriving from this, new parameters are evolving, which can determine investors' investment decisions (Ajina, Sougne and Lakhal, 2015). This study aims to focus on the changes in investor needs and voluntary disclosure of environmental, social and governance (ESG) information, uncovering possible ESG factors that are important in the public's opinion.

The reporting of ESG information and characteristics is overall a voluntary act for companies to present their commitment to ESG-related topics (Lagasio and Cucari, 2019). In consequence, there is a limited database for companies in the stock market. This is why the IPO prospectuses are a critical source to indicate a company's pledge to environmental, social and governance activities. To identify a company's ESG actions analysing its prospectus texts is a possible method. A measurement of ESG terms could be done by identifying the term frequency of specific words and terms using big data (Jo, 2018). Another method to analyse the prospectuses could be a sentiment analysis in which the positive or negative tone of ESG-related context could be measured (Liu, 2012).

In addition to the interest currents from the direction of science and investors, a high interest in the consideration of ESG criteria is also shown by policymakers. On the 5th of January 2023 the European Union (EU) introduced Corporate Sustainability Reporting Directive (CSRD) – 2022/2464/EU. These new rules should ensure, that stakeholders and investors have the information they need to evaluate financial risks and opportunities which could emanate from future climate change and sustainability issues (European Parliament and Council, 2022). The first companies reporting in accordance with the European Sustainability Reporting Standards (ESRS) will publish this report for the first time in 2025 for the fiscal year 2024.

Sustainability Reports and IPO prospectuses have a great variation in quality to their readers, since there are no international standards, especially in the IPO process (Comyns *et al.,* 2013; Beck, Frost and Jones, 2018). As a result, it is difficult for companies that voluntarily publish ESG information to determine which information is of interest to heterogeneous investor groups, such as on the IPO market.

To identify the most important ESG topics for investors, this study aims to identify and prioritize key ESG topics within this research. The result of this study should be an ESG word catalogue, which summarizes the essential current terms in relation to the ESG megatrend and can serve as a starting point for strategy development and publication of sustainable information by companies. The research question of this thesis is therefore: what are the essential basic aspects of ESG that can influence investor decisions and are perceived as relevant in research?

2. METHODS

For this study a qualitative content analysis methodological framework is used. Since content analysis uses qualitative and quantitative aspects it has a high significance to identify ESG key topics and measure them (Kuckartz, 2018).

An iterative process was carried out to determine the appropriate topics for coding, whereby a basic structure was already created through the accumulation of terms. Essentially, the key topics can be divided into three categories: "Environmental", "Social" and "Governance". A fourth category is "Sustainability", which is defined by the fact that it contains ESG topics that cannot be clearly assigned to one of the other three categories.

To form a suitable ESG word catalogue, a conceptual qualitative content analysis (QCA) is carried out in the first step, which deals with explicit data. The appearance of word and the frequency of phrases will be analyzed (Elo and Kyngäs, 2008). Therefore, the latest sustainability reports of the top 30 Dow Jones companies will be the database for the conceptual QCA. As the companies publish their sustainability reports for the respective financial years at different times, the observation includes reports for the years 2021 to 2023 (Figure 1). These reports are used to determine which ESG topics represent the key content points in the respective reports.

Figure 14. Sustainability report by company

Company	Report year	Company	Report year
3M	2023	Johnson Johnson	2022
American Express	2023	JPMorgan Chase	2022
Amgen	2022	McDonalds	2022
Apple	2022	Merck	2022
Boeing	2023	Microsoft	2022
Caterpillar	2022	Nike	2022
Chevron	2022	Procter Gamble	2022
Cisco	2023	Salesforce	2021
Coca-Cola	2022	Travelers	2022
Dow	2022	UnitedHealth	2022
Goldman Sachs	2022	Verizon	2022
Home Depot	2022	Visa	2022
Honeywell	2023	Walgreens Boots Alliance	2023
IBM	2022	Walmart	2023
Intel	2022	Walt Disney	2022

Source: elaborated by the author

Based on the sustainability reports presented above, words were weighted according to their frequency in the reports. The list of words was then cleared of "stopswords" and then sorted in descending order of frequency. In the next step, these words were analysed according to their assignment to ESG topics, whereby the words were assigned to one or more categories. The frequency of the respective category should also be considered to identify a possible weighting of a particular topic block.

Since this conceptual QCA is a one-sided view, as only the reports provided by the individual companies are considered here, a focus will also be placed on current research within ESG reporting. To this end, a relational content analysis is carried out in which the key messages from current research are extracted and the main ESG topics are used to create the ESG word catalogue. The analysis is intended to isolate the material current ESG aspects. A strong focus will be placed on the current literature that deals with the factors influencing ESG aspects on company performance. In general, papers that deal with challenges regarding ESG, the influence on investor decisions and reporting with the help of frameworks are considered. In particular, the keywords "ESG challenges", "impact investing", "ESG framework" and "sustainability reports" were searched for. A restriction to certain media forms such as interviews was not made. The sources were divided into three sub-areas: environmental, social and governance. The core statements of the respective sources were extracted through the content analysis and then catalogued.

3. RESULTS

As the market is constantly changing and the focus on ESG aspects varies depending on the sectors and countries, there are currently not enough studies available to conceptualize ESG identically for all market participants from a long-term perspective. A visualization showing the components of the ESG factors can be found in Table 1.

Table 5. ESG factors

Environmental (E)	Social (S)	Governance (G)
Emissions	Child labor	Codes of conduct
Air pollution	Workplace health and safety	Transparency and disclosure
Waster usage and recycling	Opportunity	Board structure (diversity)
biodiversity	Community impacts	Bribery and corruption
Ernergy consumption and efficiency	Supply chain management	Stakeholder right and engagement
Impact on ecosystems	Equality	
Development of environmentally neutral products	Diversity	
	Discrimination	
	Privacy	

Source: Li, Zhang and Zhao (2022, p. 2)

3.1 Environmental (E)

If the environmental aspect is considered from a sustainability perspective, a great deal of attention is paid to the use of resources. Waste management and pollution control (WMP) are seen as a public task, particularly by Bernstein (1993), whereby over time the increasing amount of packaging waste has developed into a current challenge in this area, in contrast to the sanitary challenges (Bernstein, 1993).

Brunner and Rechbergen (2015) see the responsibility as lying more with the polluters and therefore the industry, as they produce waste and pollutants as a by-product of their activities. Through innovation, however, these can be transformed into something useful to be sustainable and harmless to the environment, which in turn leads to a good investment in terms of impact investing (Brunner and Rechberger, 2015).

Another point that is cited as significant in impact investing regarding investment decisions is the emissions generated by the burning of fossil fuels, which contribute to global warming. According to Angelis et al. (2020), investors can influence companies to be more transparent about their ESG projects through their conscious investment decisions (Angelis, Tankov and Zerbib, 2020). The authors mention technical innovations as another key aspect of ESG. This is because technical innovations allow energy to be used more efficiently to cause fewer emissions (Angelis, Tankov and Zerbib, 2020). Mekaroonreung and Johnson (2014) also cite technical developments as drivers of the environmental sector, as these can save nitrogen oxides and thus reduce the greenhouse effect (Mekaroonreung and Johnson, 2014). In their article, Scatigna (2021) et al. also cite the issue of carbon as an important factor influencing the performance of corporate bonds and thus also show the importance of investor interest (Scatigna *et al*., 2021).

The influence on the environment can also be cited as one of the aspects of E. In addition to sustainable growth through the protection of the environment, companies are also influenced by this growth and positive ESG social management according to Oprean-Stan et al. (2020) and thus has interactions with aspects relating to the area of "Social" (Oprean-Stan *et al.,* 2020). The authors Francesco and Levy (2008) also mention the consideration of environmental protection, and particularly the voluntary publication of ESG rating scores as an important component in understanding ESG. By making a positive contribution to the environment, the resulting increase in ESG rating can generate a reciprocal effect in investment decisions (Francesco and Levy, 2008).

A future risk that also falls within the scope of environmental protection is deforestation, which in turn is described by many companies as part of their ESG activities. As the rate of deforestation continues to grow, this problem is an aspect of environmental governance that needs to be considered, especially for future generations (Paoli *et al.,* 2010). Investments with a focus on companies that actively combat forest degradation or contribute to the protection of forests can be seen as a key component of ESG aspects. According to a study by Spears (1985), investments in this area lead to improved biodiversity, which can reduce forest degradation (Spears, 1985). The significance of the individual aspects of ESG can also be derived from this.

In response to the need for measurable, transparent and sustainable information by investors and stakeholders, several frameworks have developed in recent years regarding the publication of sustainability and ESG information, which aim to provide standardized disclosure for companies. The most important determinants of ESG information can also be determined from these disclosure reports. These frameworks were created with the aim of providing investors with non-financial information that can be incorporated into an investment decision in a simplified manner. This data should therefore offer a high degree of comparability and transparency to exclude companies that engage in greenwashing or good washing (Bose, 2020).

One of the first frameworks was introduced by the United Nations (UN) in the form of the Sustainable Development Goals (SDG) for 2023 in 2015. The aim was to set political goals and priorities for governments worldwide that focus on global challenges relating to poverty, hunger, climate change, human rights and economic growth. This goal description resulted in 169 quantitative targets to be pursued by governments, the business community and non-governmental organizations to address sustainability challenges (Swain, 2018). One of the 17 ESG goals of the SDGs is to provide affordable and clean energy. To this end, a global edgy mix characterized by sustainable and renewable energies is to be created. This should also be pursued through research into new technologies (United Nations Sustainable Development, 2023a). Another point that can be derived as part of an ESG approach is responsible consumption and production. According to the 17 SDGs, the reduction of waste and the production of sustainable alternatives should be mentioned here in particular (United Nations Sustainable Development, 2023g). As mentioned above, climate change is also a risk for the future from the EU's perspective and is to be achieved through the reduced use of fossil fuels and targeted investment in climate protection programs (United Nations Sustainable Development, 2023d).

Another framework already mentioned is the GRI standard. Like the SDGs, this framework is intended to motivate companies to publish information about their sustainability impacts in a credible and consistent manner. In addition to a high level of transparency, this should also ensure the comparability of companies worldwide. As much of the information on other frameworks is similar, the GRI standard can also be used alongside other disclosures and provide support for regulatory reports. Biodiversity and the management of fossil fuels play an important role in line with other frameworks and can be defined as core aspects of the environmental area. The handling of waste materials and the development of innovations to preserve the ecosystem are also core aspects of the GRI and support the core aspects classified above for sustainability area E (GRI, 2024).

3.2 Social (S)

The social aspects that can be pursued by companies and can influence the choice of investment are largely human rights. Investors who make international investments or are involved in the acquisition of companies are mainly attracted by developing countries that respect human rights and care about their protection (Blanton and Blanton, 2007).

In this context, Spar (1999) also mentions the mutual interactions that can arise from the consideration of human rights in relation to investments: „Thus the challenge for both business leaders and human rights advocates is to figure out how to manage the fragile relationship that binds them" (Spar, 1999). In addition to human rights, employee relationships are also mentioned in several sources as a component of sustainable social investment and thus represent a basis for investors' decisions. Bloemer (2006) mentions the risk of underinvestment if companies only offer low benefits but expect high performance in return. This shows a negative effect in relation to a sustainable ESG approach (Bloemer and Odekerken-Schröder, 2006). Tsui and Wu (2005) also list employee relationships as a determinant. According to the authors, a high level of trust and fairness leads to increased productivity, which can lead to companies that disregard these points losing high-performing employees. Conversely, this means that companies that pay attention to this and maintain a good relationship with employees could attract investors regardless of sector (Tsui and Wu, 2005).

If the two frameworks SDG 17 and GRI are considered analogously to the "E" area, the most important aspects can also be derived from this:

The first point that appears on the list of 17 SDGs is "no poverty". The framework sees the management and protection of environmental goals as a possible means of combating poverty, as this could curb climate disasters, which in turn could lead to financial losses for the world's population. Another point of this framework and a dependency can be found in "zero hunger", which can also be influenced by environmental factors. The financial situation of developing countries is also identified by the SDGs as a cause of this (United Nations Sustainable Development, 2023b). As mentioned above, this framework also sees well-being and health as a social goal. In particular, the reduction of the mortality rate among children, for example by combating child labor, but also the containment of diseases through vaccinations and education are mentioned as possible solutions. The health of the workforce in developing countries should also be considered in the recruitment, development, training and retention of workers. However, education is also described as one of the goals of the framework, from which four goals can be derived. Firstly, education should be freely accessible to everyone, regardless of gender, so that relevant skills can be learned in the future. In addition, the number of scholarships is to be increased by 2030 and more educational institutions are to be created. (United Nations Sustainable Development, 2023c).

A look at the GRI standards reveals similar ESG priorities. The GRI Standard 401 deals with the treatment of employee employment. Key factors that create a positive relationship with employees include life insurance, medical care, occupational health and safety through parental leave, etc. and retirement benefits. However, the type of employment in the form of fixed-term or permanent employment contracts is also cited as a social criterion. Standards GRI 404 and 405 address the development opportunities of employees and cultural diversity within the organizations and describe diversity as a key instrument for achieving ESG standards. Combating discrimination in the workplace is also mentioned here (GRI, 2024).

3.3 Governance (G)

Good governance is an important indicator when considering an impact investment, as it can be used to determine the financial stability of a country. The EU describes good governance as a system that can act strongly from within, whereby people can actively participate in state or private programs because sufficient state security mechanisms have been established. This in turn can have a positive influence on a country's economy and provide a basis for investors to make decisions. In contrast, good governance ensures that corruption is combated (United Nations Economic and Social Commission for Asia and the Pacific, 2009). According to Mengistu and Adhikary (2011), direct investment is encouraged above all by political stability and non-violence, but also by governance measures to curb corruption and combat money laundering (Mengistu and Adhikary, 2011).

In addition to good governance, corporate policies are also a major factor influencing investment decisions, as these have an impact on corporate management and the corporate level. Sparks and Cowton (2004) also state that a country's corporate policy is a clear indication of the country's economy, which in turn can be an indicator of how smoothly companies can operate there (Sparkes and Cowton, 2004). Conversely, corporate governance can be seen as an essential aspect in an ESG analysis.

In addition to observing guidelines about legislation and corporate standards, Hassani and Bahini (2022) also emphasize the importance of the publication and transparency of ESG information. The authors cite the reduction of information asymmetries as an objective that can be achieved through the disclosure of non-financial information, as companies are confronted with economic decisions in the process of preparing information. It is also noted that the publication of this information should be mandatory to promote transparency (Hassani and Bahini, 2022). Helfaya et al. (2023) also confirm the importance of disclosures in the form of sustainability reports to provide information on cultural dimensions, gender diversity, ethnic groups and workforce development. One possible source is the GRI, which points to the importance of global standards (Helfaya *et al.,* 2023).

Based on the frameworks already considered, the following aspects can be highlighted in governance: Looking at the 17 EU goals, it is also noticeable that they only partially describe governance goals. This is mainly because these goals are found in thematic blocks that are assigned to environmental or social issues.

For example, the establishment and expansion of a stable infrastructure through healthy and regulated financial institutions is mentioned under "Decent Work and Economic Growth". The reduction of inequalities because of a healthy constitutional state is also mentioned. This should include laws for the protection of ethnic groups, greater involvement and participation of developing countries in geopolitical decisions and the political inclusion of all people, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status (United Nations Sustainable Development, 2023f). The EU lists further governance goals in its overall category "Peace, Justice and strong Institutions". Equal access to justice and comprehensive consideration of national and international law are to be pursued. Law enforcement is also to be further strengthened, which is to be achieved through the creation of national institutions, among other things (United Nations Sustainable Development, 2023e).

With GRI 205, the GRI sees the fight against corruption as a high priority. Not only employees of a company should be protected, but also suppliers and customers. Measures that should be taken include training to raise awareness of this issue. Taxation in connection with sound governance is dealt with in GRI 207. The standard aims to create a high level of tax transparency and to document this in the form of sustainability reports. It also focuses on the publication of non-financial information. In line with the EU, the GRI sees public participation in politics as a key ESG criterion with GRI 415. Party donations are a measurement tool for assessing the influence of companies in politics (GRI, 2024).

3.4 ESG in sustainability reports

In a study by Billio *et al.* from 2021, ESG rating criteria of well-known agencies were examined regarding their commonality. In particular, the different definitions of ESG characteristics, attributes and standards were examined. It was shown that different agencies rate the same companies differently and that there is generally little agreement between the rating agencies. Consequently, this leads to different benchmarks within the financial market, which means that investors' preferences can be influenced by different perceptions of these benchmarks (Billio *et al.,* 2021). Nevertheless, in contrast to the core statement of the study, similarities are also found about the main risk factors. In the "Environmental" area, this primarily concerns climate change, emissions, pollution, water risk/security and renewable energy. Under the "Social" aspect, there are several similarities with human rights and diversity. In the area of "Governance", the largest common point of intersection is corporate governance.

Luluk Widyawati (2021) also looked at the different ESG valuation methods. One focus of the study was on measuring the quality of ESG ratings. For this purpose, four ESG ratings were compared with each other in terms of their dimensionality, reliability and validity. The author shows that all four rating systems have different measurement constructs and measurement problems. Nevertheless, it should be mentioned that the different measurement systems led to a low to moderate agreement regarding the ESG ranking (Widyawati, 2021). Similarities between individual ESG aspects can also be found in this study: For example, the focus for the "E" sub-sector is on emissions and environmental innovations. For "S", on the other hand, the focus is on workforce, human rights, community and product responsibility. With management, shareholders and corporate social responsibility (CSR) strategy, most similarities can be found in the "Governance" area.

By focusing their research on the influence of CSR on corporate financial performance (CFP), Beck et al. were able to look at the actual quality of CSR performance independently of CSR disclosure. For this purpose, the CSR commitment of companies (measured by the number of voluntary disclosures) was considered in the context of financial performance. The sample included 116 listed companies from Australia, Hong Kong and the United Kingdom. A key finding of this work was that CSR commitment can be an indicator of actual CSR performance and can also have a significant impact on financial performance (Beck, Frost and Jones, 2018). As G3.1 of the Global Reporting Initiative (GRI) framework was used here for the assessment of CSR quality, the main core aspects relating to ESG can be derived from this.

Based on the conceptual QCA, 137 terms were identified in most of the 500 words mentioned in the sustainability reports. Of these words, 41 can be assigned to "environmental" (E), 49 to "social" (S) and 41 to the category "governance" (G). A further 9 words contained ESG-relevant topics but were assigned to the overarching collective term ESG. When looking at the frequency of the reports, it appears that the "Social" category accounts for a slightly higher proportion of the sustainability reports. However, the frequency of the respective words is not considered here. Basically, among the 500 most frequently used words, terms from the E category were used 44,351 times and thus represent the highest number of mentions. This is followed by S with 41,289 and G with 35,459. Words from the superordinate category ESG are mentioned 12,119 times. However, the mere number of different words and the total of all mentions is not sufficient to make a statement about the priority of the respective category. Therefore, the total number of words in a category was divided by the number of different words to determine the mean value of each category:

$$M_{cat} = \frac{\sum WF_{cat}}{\sum DW_{cat}} \tag{1}$$

This results in the following mean values for the frequency of words in the individual categories:

Table 6. ESG word frequency

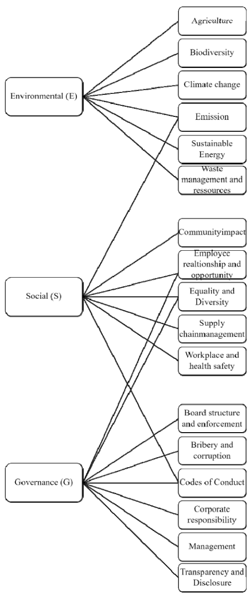
Category	Value
Environmental	1,081.73
Social	842.63
Governance	864.85
ESG	1,346.56

Source: elaborated by the author

Although the trend described above continued, it should be noted that the "G" category has a slightly higher mean value compared to the "S" category, although there are around 6,000 mentions between all the words. This indicates that words from the area of governance are used more frequently, or that these words have fewer substitutes than those from the area of governance.

3.5 Summary results

Derived from the content analyses mentioned above, the following categories can be formed for the ESG terms highlighted (Figure 2):



Source: elaborated by the author

Figure 15. Content analysis categories

The key parameters from the above-mentioned sources can essentially be divided into 5-6 subcategories. An allocation of the individual key points of the sources to the subcategories can be seen in Table 3. It can also be seen that there were overlaps between categories, as core statements from the sources could be assigned to several superordinate categories. With the help of the content analysis, the most important core aspects of ESG in connection with investment decisions on the capital market could be extracted.

Table 7. ESG categories and aspects

Categories	ESG aspects
Agriculture	Agri business, agricultural, agriculture, land use, soil
Biodiversity	biodiverse, biodiversity, biological, biology, diversity, forest, jungle, protect, protection, rainforest, timber, wildfire
Board structure and enforcement	audit, board independence, board inefficiency, board membership, board skillsets, board turnover, board-related factor, ceo, control, efficiency of the board, independent board, oversight, supervisory
Bribery and corruption	bribery, corruption, fraud, money laundering
Climate change	acute risk, adverse weather, catastrophe, catastrophe, Celsius, climate, damage, earth, environment, Fahrenheit, flood, geographic, green, heat, hurricane, natural, nature, ocean, ph., rain, storm, task force on climate, temperature, typhoon, warmup, weather
Codes of Conduct	abuse, abusive, compliance, comply, corporate behavior, due diligence, governance, investigation, misconduct, monitoring
Community impact	civic organization, civil society, community, community-related, non-profit, not-for-profit, philanthropy, public good, public opinion, public resources, public service, public transport
Corporate responsibility	accountability, accountable, accuracy, authority
Emission	air, air quality, animal, carbon, co2, coal, coal-based, emission, emissions, fuel, gas, greenhouse, pollute, pollution
Employee relationship and opportunity	behavior, behavior, bonus, education, employee, engage, extra-financial, flexible, healthcare, income disparity, income distribution, living standard, pension, quality of life, relation, school, skill, talent, team, teams, together
Equality and Diversity	age, aging, cultural, demographic, demography, diverse, diversity, ethical, ethnic minority, gender, inequalities, migration, pay gap, pay-gap, poverty, race, racial, representation, representative, staff turnover, young
Management	budgetary flexibility, budgetary performance, budgetary pressure, business plan, leadership, liquidity risk, manage, manage risk, management, managing risks, operational goal, operational performance, operational risk, planning, realistic budgeting, risks, strategic, strategies, vision
Supply chain management	buyer beware, client, consumer, customer, vulnerable clientele
Sustainable energy	: sun, electric, energy, hybrid, imported energy, mine, mining, renewable, sustainability, sustainable, technology, wind
Transparency and disclosure	communicate, communication, disclosure, disclosures, framework, information, institutional framework, policy framework, regulation,

Categories	ESG aspects
	report, reported, reporting, risk framework, tax, transparency, transparent
Waste management and resources	contamination, food, local, material, plastic, recycle, recycled, recycling, resource, toxic, waste, water
Workplace health and safety	abuse, abusive, accident, clinical, compliance, comply, corruption, crime, damage, danger, death, disclosure, due diligence, health, healthcare, hospital, medical, money laundering, privacy, protest, right, safety, strike, suicide, treatment, union, violation, violence, violent, working conditions

Source: elaborated by the author

4. CONCLUSION AND DISCUSSION

The aim of this work was to identify the most important key terms relating to ESG that can influence investment decisions. With the help of the two content analyses, the similarities and differences between the respective sources were identified and a word catalogue was created that summarizes the most important terms and can serve as a basis for the voluntary provision of non-financial information. The research question can therefore be answered positively.

However, it became apparent during the research that the focus of the respective authors was on other sub-areas. Although there were no direct contradictions between the sources, it must also be considered that similarities do not always exist due to a lack of standards. Although the focus on sources that deal with the determinants of ESG on the performance of companies shows which ESG criteria are significant in the context of a performance analysis, there is no reference to actual investor needs analyses. The different focal points within the two frameworks examined also show that there is no uniformity in the definition of ESG criteria.

The analysis of the sustainability reports shows that there is a high level of consensus on the design of reports within companies. However, it should be mentioned here that although different groups were considered, the group under review can still be seen as homogeneous, as they are similar in the aspects of market and monitoring body. It should also be noted that some terms could not be assigned to a specific category, which indicates a high degree of symmetry between the categories. Interactions and conditions, such as how a sustainable environmental policy can affect the health of the population, could not be shown using this type of analysis.

In principle, this work has enabled the key core aspects of ESG to be derived, which describe the future challenges, the current publication situation and the current framework standards. Further research can be carried out on this basis, for example to shed more light on the interactions between ESG aspects. Future research should also place a stronger focus on the needs of investors, e.g. in the form of interviews. Furthermore, this type of investigation should be carried out using a different data source to identify any differences in terms of regions or observation periods. This could then be used to draw conclusions for the future to identify new ESG trends at an earlier stage.

References

1) Ajina, A., Sougne, D. and Lakhal, F. (2015). Corporate Disclosures, Information Asymmetry and Stock-Market Liquidity In France. *Journal of Applied Business Research (JABR),* 31(4), p. 1223.
2) Angelis, T. de, Tankov, P. and Zerbib, O.D. (2020). *Environmental Impact Investing.* [online] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3562534 [Accessed 20.08.2024].
3) Beck, C., Frost, G. and Jones, S. (2018). CSR disclosure and financial performance revisited: A cross-country analysis. *Australian Journal of Management,* 43(4), pp. 517–537.
4) Bernstein, J.D. (1993). *Alternative approaches to pollution control and waste management*. 4th edn. Washington, DC: The World Bank.
5) Billio, M., Costola, M., Hristova, I., Latino, C. and Pelizzon, L. (2021). Inside the ESG ratings: (Dis)agreement and performance. *Corporate Social Responsibility and Environmental Management,* 28(5), pp. 1426–1445.
6) Blanton, S.L. and Blanton, R.G. (2007). What Attracts Foreign Investors? An Examination of Human Rights and Foreign Direct Investment. *The Journal of Politics,* 69(1), pp. 143–155.
7) Bloemer, J. and Odekerken-Schröder, G. (2006). The role of employee relationship proneness in creating employee loyalty. *International Journal of Bank Marketing,* 24(4), pp. 252–264.
8) Bose, S. (2020). Evolution of ESG Reporting Frameworks. In: D. C. Esty & T. Cort (eds). *Values at Work*. Cham: Springer International Publishing, pp. 13–33.
9) Brunner, P.H. and Rechberger, H. (2015). Waste to energy--key element for sustainable waste management. *Waste Management (New York, N.Y.),* 37, pp. 3–12.
10) Comyns, B., Figge, F., Hahn, T. and Barkemeyer, R. (2013). Sustainability reporting: The role of “Search”, “Experience” and “Credence” information. *Accounting Forum,* 37(3), pp. 231–243.
11) European Parliament and Council (2022). Directive (EU) 2022/2464 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (Text with EEA relevance) (2022). [online] Available at: https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32022L2464 [Accessed 08.02.2024].
12) Elo, S. and Kyngäs, H. (2008). The qualitative content analysis process. *Journal of Advanced Nursing,* 62(1), pp. 107–115.
13) Francesco, A.J. de and Levy, D. (2008). The impact of sustainability on the investment environment. *Journal of European Real Estate Research,* 1(1), pp. 72–87.
14) GRI. (2024). *GRI Standards English Language: Consolidated Set of GRI Standards*. [online] Available at: https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/ [Accessed 08.02.2024].

15) Hassani, B.K. and Bahini, Y. (2022). Relationships between ESG Disclosure and Economic Growth: A Critical Review. *Journal of Risk and Financial Management,* 15(11), p. 538.
16) Helfaya, A., Morris, R. and Aboud, A. (2023). Investigating the Factors That Determine the ESG Disclosure Practices in Europe. *Sustainability,* 15(6), p. 5508.
17) Hironaka, A. (2002). The Globalization of Environmental Protection: The Case of Environmental Impact Assessment. *International Journal of Comparative Sociology,* 43(1), pp. 65–78.
18) Jo, T. (2018). *Text Mining: Concepts, Implementation, and Big Data Challenge*. Cham: Springer International Publishing.
19) Kuckartz, U. (2018). *Qualitative Inhaltsanalyse: Methoden, Praxis, Computerunterstützung.* 4th edn. Weinheim: Beltz Juventa.
20) Lagasio, V. and Cucari, N. (2019). Corporate governance and environmental social governance disclosure: A meta-analytical review. *Corporate Social Responsibility and Environmental Management,* 26(4), pp. 701–711.
21) Li, H., Zhang, X. and Zhao, Y. (2022). ESG and Firm's Default Risk. *Finance Research Letters,* 47, pp. 1–11.
22) Liu, B. (2012). *Sentiment Analysis and Opinion Mining.* Cham: Springer International Publishing.
23) Mekaroonreung, M. and Johnson, A.L. (2014). A nonparametric method to estimate a technical change effect on marginal abatement costs of U.S. coal power plants. *Energy Economics,* 46, pp. 45–55.
24) Mengistu, A.A. and Adhikary, B.K. (2011). Does good governance matter for FDI inflows? Evidence from Asian economies. *Asia Pacific Business Review,* 17(3), pp. 281–299.
25) Oprean-Stan, C., Oncioiu, I., Iuga, I.C. and Stan, S. (2020). Impact of Sustainability Reporting and Inadequate Management of ESG Factors on Corporate Performance and Sustainable Growth. *Sustainability,* 12(20), p. 8536.
26) Paoli, G.D., Wells, P.L., Meijaard, E., Struebig, M.J., Marshall, A.J., Obidzinski, K., Tan, A., Rafiastanto, A., Yaap, B., Ferry Slik, J., Morel, A., Perumal, B., Wielaard, N., Husson, S. and D'Arcy, L. (2010). Biodiversity Conservation in the REDD. *Carbon Balance and Management,* 5, p. 7.
27) Scatigna, M., Xia, F.D., Zabai, A. and Zulaica, O. (2021). *Achievements and Challenges in ESG Markets.* [online] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3989761 [Accessed 20.08.2024].
28) Spar, D. (1999). Foreign Investment and Human Rights. *Challenge,* 42(1), pp. 55–80.
29) Sparkes, R. and Cowton, C. J. (2004). The Maturing of Socially Responsible Investment: A Review of the Developing Link with Corporate Social Responsibility. *Journal of Business Ethics,* 52(1), pp. 45–57.
30) Spears, J. (1985). Deforestation Issues in Developing Countries – the Case for and Accelerated Investment Programme. *The Commonwealth Forestry Review,* 64(201), pp. 313–343.
31) Swain, R.B. (2018). A Critical Analysis of the Sustainable Development Goals. In: W. Leal Filho (ed.). *Handbook of Sustainability Science and Research*. Cham: Springer International Publishing, pp. 341–355.

32) Tsui, A.S. and Wu, J.B. (2005). The new employment relationship versus the mutual investment approach: Implications for human resource management. *Human Resource Management,* 44(2), pp. 115–121.
33) United Nations Economic and Social Commission for Asia and the Pacific (2009). *What is Good Governance*? [online] Available at: https://www.unescap.org/resources/what-good-governance [Accessed 08.02.2024].
34) United Nations Sustainable Development (2023a). *Energy - United Nations Sustainable Development.* [online] Available at: https://www.un.org/sustainabledevelopment/energy/ [Accessed 08.02.2024].
35) United Nations Sustainable Development (2023b). *Goal 2: Zero Hunger - United Nations Sustainable Development.* [online] Available at: https://www.un.org/sustainabledevelopment/hunger/ [Accessed 09.02.2024].
36) United Nations Sustainable Development (2023c*). Health - United Nations Sustainable Development.* [online] Available at: https://www.un.org/sustainabledevelopment/health/ [Accessed 09.02.2024].
37) United Nations Sustainable Development (2023d). *Climate Change - United Nations Sustainable Development.* [online] Available at: https://www.un.org/sustainabledevelopment/climate-change/ [Accessed 08.02.2024].
38) United Nations Sustainable Development (2023e). *Peace, justice and strong institutions - United Nations Sustainable Development*. [online] Available at: https://www.un.org/sustainabledevelopment/peace-justice/ [Accessed 10.02.2024].
39) United Nations Sustainable Development (2023f). *Reduce inequality within and among countries - United Nations Sustainable Development*. [online] Available at: https://www.un.org/sustainabledevelopment/inequality/ [Accessed 10.02.2024].
40) United Nations Sustainable Development (2023g). *Sustainable consumption and production.* [online] Available at: https://www.un.org/sustainabledevelopment/sustainable-consumption-production/ [Accessed 08.02.2024].
41) Widyawati, L. (2021). Measurement concerns and agreement of environmental social governance ratings. *Accounting & Finance,* 61(S1), pp. 1589–1623.