



Dimensions of Social and Environmental Performance and Firms' Reputation: Evidence from Misconducts

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ABSTRACT

This study examines whether firms with good reputation, better environmental and social performance help them to protect their value in case of the occurrence of ESG-related misconducts. Using a sample of firms listed at Taiwan Stock Exchange and are mandatory to issue ESG report during the period 2005 to 2019, the findings show that firms with better environmental and social performance are less likely to engage in ESG misconducts. Moreover, firms with the higher level of water consumption and employee turnover rate, and the lower level of salary are more likely to associate with misconducts.

Keywords: CSR, ESG, misconduct, reputation risk, firm performance

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