Sustainability and Financial Project Scope: Implications for Performance, Risk, and Value Creation

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Abstract

This study examines how sustainability integration within financial project scope influences firm performance, risk exposure, and value creation. Drawing on stakeholder theory, resource-based view (RBV), and sustainable finance literature, the study develops a comprehensive framework linking ESG-integrated project scope to financial outcomes. Using panel data from publicly listed firms between 2020 and 2025, this research employs fixed-effects regression and moderated analysis to test the relationships. The findings indicate that sustainability integration significantly enhances firm performance and long-term value creation while reducing risk exposure. However, the impact is contingent upon project governance quality and digital capability. The results contribute to the sustainable finance literature by clarifying the mechanisms through which ESG considerations embedded in project scope translate into measurable financial outcomes. The study provides implications for corporate managers, investors, and policymakers aiming to align sustainability with financial decision-making.

Index Terms

Sustainability, ESG, Financial Performance, Risk, Value Creation