

## Online Appendix

### ESG Investing: Conciliating Financial Performance and Sustainable Societal Development

The table below provides a list of studies analyzing the relationship between SRI and financial performance.

Year	Author	Title	Years of interest	Countries studied	Outcome
2022	Press and Brzezczynski	Do business models matter? Evidence from the SRI companies performance and the COVID-19 pandemic	2016-2021	US	the outperformance and underperformance effects among the SRI firms disappeared during the COVID-19 pandemic period
2022	Folger-Larondea., Pashang, Feor, ElAlfy	ESG ratings and financial performance of exchange-traded funds during the COVID-19 pandemic	2019-2012	World	higher levels of the sustainability performance of ETFs do not safeguard investments from financial losses during a severe market downturn.
2021	Duque-Grisales and Aguilera-Caracuel	Environmental, Social and Governance (ESG) Scores and Financial Performance of Multilatinas: Moderating Effects of Geographic International Diversification and Financial Slack	2011-2015	South America	the relationship between the ESG score and FP is significantly statistically negative.
2021	Nirino, Santoro, Miretta, Quaglia	Corporate controversies and company's financial performance: Exploring the moderating role of ESG practices		Europe	A negative and significant relationship between corporate controversies and financial performance.
2020	Nekhili, Boukadhaba, Nagati	The ESG-financial performance relationship: Does the type of employee board representation matter?	2007-2017	France	labor board representatives act in the opposite direction to employee shareholder board representatives by focusing exclusively on improving social performance and reducing environmental and

					corporate governance performance
2020	Sciarelli, Tani, Landi, Turriziani	CSR perception and financial performance: Evidences from Italian and UK asset management companies		UK and Italy	a high corporate social performance (CSP) disclosure through Web and social media is positively associated to AMCs' economic performance
2019	Ballester and Pilar	The role of mutual funds in the sustainable energy sector	2007-2018	Europe	There are higher financial costs associated to investments in renewable energy funds, compared to those in conventional funds
2018	Bush and Friede	The Robustness of the Corporate Social and Financial Performance Relation: A Second-Order Meta-Analysis	until 2017	worldwide	Strong positive relationship between ESG and financial performance at firm level, that weaken in mutual funds
2017	Leite at al.	The performance of socially responsible equity mutual funds: Evidence from Sweden	2002-20012	Sweden	Portfolios of Swedish SRI funds investing in Sweden and Europe did not exhibit significant performance differences compared to their conventional peers, while SRI funds investing globally delivered lower returns
2016	Eccles, Verheyden and Feiner	ESG for All? The Impact of ESG Screening on Return, Risk, and Diversification	2010-2015	worldwide	ESG screens have a positive impact on performance
2016	Henke	The effect of social screening on bond mutual fund performance	2001-2004	Europe, US	SRI bond funds outperformed their conventional peers
2015	Reveli and Viviani	The Link Between SRI and Financial Performance: Effects and Moderators	1972-2009	worldwide	Meta-analysis study: no significant performance differences between SRI and conventional funds

2015	Ferruz, Munoz and Vicente	Stock-picking and style-timing abilities: A comparative analysis of conventional and socially responsible mutual funds in the US market	1994-2010	US	Absence of market timing skills in both US ethical and conventional funds
2015	Becchetti et al.	Socially responsible and conventional investment funds: performance comparison and the global financial crisis	1992-2012	worldwide	SR funds played an insurance role during the financial crisis period
2014	Mattson and Sandstrom	A Comparison between the Performance of Ethical and Conventional US Funds: Do Ethical Characteristics Matter?	2004-2014	US	Green and ESG screened portfolios presented similar performance relative to matched conventional portfolios. While Religiously screened funds overperformed.
2014	Belghitar, Clark and Deshmukh	Does it pay to be ethical? Evidence from the FTSE4Good	2001-2010	Worldwide	Evidence of financial price associated to SRI
2014	Nofsinger and Varma	Socially responsible funds and market crises	2000-2011	US	SRI funds overperformed in periods of market downturn
2014	Cortez and Leite	Selectivity and timing abilities of international socially responsible funds	2000-2008	Europe	Neutral timing abilities, no significant differences between SRI and conventional funds
2014	Marco, Munoz and Vargas	Environmental Mutual Funds: Financial Performance and Managerial Abilities	1994-2013	Europe, US	Poor market timing abilities in US and European green fund managers
2014	Ang, Greogoriou and Lean	Market-timing skills of socially responsible investment fund managers: The case of North America versus Europe	2001-2011	Europe, North America	Existence of market timing skills in both regions

2014	Blancard and Monjon	The Performance of Socially Responsible Funds: Does the Screening Process Matter?	1992-2011	France	Greater screening intensity is associated with lower financial performance
2013	Rather	The Relative Performance of SRI Funds: Evidence from Austria	1992-2012	Austria	SRI European funds do not present significant performance differences relative to non-SRI funds
2013	Cortez and Leite	Performance and Persistence of European Socially Responsible Funds: French Evidence	2000-2008	France	No significant difference between the performance of SRI and on SRI funds
2012	Stang	Socially Responsible Investments—A Comparative Mutual Fund Study of the Scandinavian Mutual Fund Market	2002-2012	Canada, Denmark, Norway, Sweden	SRI Scandinavian funds did not over or under perform their conventional counterparts
2012	Arx, Mollet and Ilić	Strategic Sustainability and Financial Performance: Exploring Abnormal Returns	2002-2009	Europe	SRI portfolios generated superior returns
2012	Liang	Canadian Ethical Mutual Funds: Risk Adjusted Performance	2008-2012	Canada	Canadian ethical funds underperformed the market benchmark during crisis periods, while ethical fixed income investments delivered higher risk adjusted returns
2012	Ito, Managi and Matsuda	Performances of Socially Responsible Investment and Environmentally Friendly Funds	2000-2009	EU, US	SRI funds overperformed their conventional peers both in EU and in the US
2012	Mollet and Ziegler	Is SRI Really Beneficial? New Empirical Evidence from the US and European Stock Market	1998-2004	Europe and US	Neutral relationship between SRI and stock performance

2012	Areal, Cortez and Silva	SRI in the global market: the performance of US and European funds	1996-2008	Europe, US	In European countries the performance of SRI funds was not significantly different from conventional funds. In the US and Austria SRI funds exhibited evidences of underperformance
2012	Moneva, Ortas and Salvador	Do social and environmental screens influence ethical portfolio performance? Evidence from Europe	2001-2010	Europe	SRI indexes did not generate lower risk adjusted return than their benchmarks, however, higher screening intensity is associated to higher risk
2011	Derwall et al.	A tale of values-driven and profit-seeking social investors	1992-2008	US	In the short term sustainable screened stock portfolios could overperform, while in the long-run the impact of ESG screens in neutral
2011	Biehl and Hoepner	SRI Funds: Does More Social Mean Less Financial Performance?	1998-2010	UK	The performance of the portfolios with the highest social rating is significantly lower than the market performance, while the performance of the portfolios with the lowest social rating is not significantly lower than market performance
2010	Weber et al.	The Financial Performance of an SRI Fund Portfolio in Times of Turmoil	2001 - 2009	Europe, Asia-Pacific, North America, South Africa, Latin America	SRI funds performed better
2010	Karagiorgos	CSR and Financial Performance: An Empirical Analysis on Greek Companies	2007-2008	Greece	Positive relationship between CSR and firm performance
2010	Benson, Humphrey and Lee	Socially responsible investment fund performance: the impact of screening activity	1989-2006	US	They provide further evidence to the study of Barnett and Salomon (2006), confirming that the number of screens has a negative impact on performance, yet at the same time it

					reduces systematic risk
2010	Cheung et al.	The Performance of Socially Responsible Investments Across Different Market Regimes	2001-2009	US	No significant difference between SRI and non-SRI indexes
2009	Gil-Bazo, Ruiz-Verdù and Santos	The Performance of SRI Funds: The Role of Fees and Management Companies	1997-2005	US	SRI funds managed by SRI specialized management companies overperformed conventional funds
2009	Derwall and Koedijk	Socially responsible fixed-income funds	1987-2003	US	The portfolio of SRI balanced funds delivered higher financial performance than its comparable sample of conventional funds. While the performance of the SRI bond funds was similar to their conventional peers
2009	Areal, Cortez and Silva	The Performance of European Socially Responsible Investment Funds	1996-2007	Austria, Belgium, France, Germany, Italy, Netherlands, UK	Social screens did not compromise risk adjusted returns of European mutual funds
2008	Amenec and Sourd	Socially Responsible Investment Performance in France	2002-2007	France	French SRI funds did no generate higher performance
2008	Renneboog, Horst, Zhang	The price of ethics and stakeholder governance: The performance of socially responsible mutual funds	1991-2003	Worldwide	In most countries there are no significant differences between the performance of SRI and conventional funds. In France, Ireland, Sweden and Japan, SRI funds underperformed
2008	Jones et al.	The Investment Performance of Socially Responsible	1986-2005	Australia	Ethical funds significantly underperformed conventional funds

		Investment Funds in Australia			
2007	Girard, Rahman and Stone	Socially responsible investments: Goody-two-shoes or bad to the bone?	1984-2003	US	Poor selectivity skills among ethical funds managers and neutral market timing ability
2007	Hill et al.	Corporate Social Responsibility and Socially Responsible Investing: A Global Perspective	1995-2015	Asia, Europe, US	In Europe and in the US, SR mutual funds overperformed their conventional peers over the 10-year period. In Asia, the SRI fund overperformance was close to statistical significance
2006	Social Investment Forum	2005 Report on Socially Responsible Investing Trends in the US	1995-2005	US	SRI fund performed better
2006	Barnett and Salomon	Beyond Dichotomy: The Curvilinear Relationship between Social Responsibility and Financial Performance	1972-2000	US	Curvilinear relationship between ESG screening intensity and financial performance. Relatively lower and relatively greater screening intensity enhance financial performance, while "in the middle", the loss of diversification prevails on better selectivity, resulting in inferior financial performance
2006	Kempf and Osthoff	The Effect of SRI on Financial Performance	1991-2004	US	Stocks of companies with higher ESG ratings may experience return advantage
2006	Mill	The Financial Performance of a Socially Responsible Investment Over Time and a Possible Link with Corporate Social Responsibility	1996-2004	UK	SRI does not impact financial performance

2006	Bauer, Otten and Tourani Rad	Ethical Investing in Australia: Is There a Financial Penalty?	1992-2003	Australia	Ethical funds underperformed their conventional counterparts over the period 1992-1996 and delivered similar risk adjusted return during 1996-2003
2005	Hassan et al.	Impact of Ethical Screening on Investment Performance	1996-2003	US	Neutral impact of social screens on investment performance
2005	Bauer, Derwall and Otten	The Ethical Mutual Fund Performance Debate: New Evidence from Canada	2005	Canada	No significant difference between the performance of SRI and conventional funds
2005	Bauer, Koedijk and Otten	International evidence on ethical mutual fund performance and investment style	1990-2001	Germany, UK, US	Ethical fund risk adjusted returns are similar to those of conventional funds
2004	Nham, Tran and Nguyen	Impact of Firms Environmental Performance on its Financial Performance: Empirical Evidence from Vietnam's Small and Medium Manufacturing Firms	2004	Vietnam	Negative to neutral relationship between higher Environmental scores and firm financial performance
2004	Schröder	The Performance of Socially Responsible Investments: Investment Funds and Indices	2000-2002	US, German, Switzerland	Most of SRI funds performed similarly to their benchmarks. Only few funds delivered relatively poor risk adjusted return
2002	Kreander et al.	The Performance and Rationale of European Ethical Funds	1996-1998	UK, Sweden, Germany, Netherlands, Norway, Switzerland, Belgium	Ethical fund performance was not significantly different from both conventional peers and market benchmark
1997	Cohen	Environmental and Financial Performance: Are They Related?	1987-1989	US	Green investment portfolios did not under-(or over) perform their unscreened counterparts
1993	Hamilton and Statman	Doing well while doing good? The investment performance of	1981-1990	US	No performance differences between SRI and conventional funds



socially responsible  
mutual funds

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*Source: Authors' elaboration*