

Companies that Ward Off ESG and Reputation Crises See Value Surge

Steel City Re study shows Wall Street rewards effective governance and management strategies for ESG and reputation risks.

Summary

PITTSBURGH (PRWEB) March 08, 2022
Companies with ESG and reputational risk protection strategies have seen their stock prices rise 5% above the market within two weeks of a reputational challenge, and that premium is almost double for companies that have publicly shared and validated those strategies.

“The data show that instituting, validating, and communicating risk management strategies can both fulfill the goals of stakeholder-centrism and meet shareholder expectations.”

The study, by Steel City Re, an ESG and reputation insurer, also found that stock prices of firms that managed, validated and publicized ESG and reputation risk management strategies on average gained 9.3% over the subsequent seven months after a precipitating event, while firms in which such processes were assumed by shareholders to be in place gained 4.3%.

Companies that failed to institute, validate, and communicate risk management strategies lost 13.2% of their stock value over those seven-month periods, and they underperformed their peers by an average of 23.3%.

[Link to press release.](#)

Equity Value Change Following ESG | Reputation Event

