

The Role of ESG Criteria in Sustainable Financial Project Scope Management: A Systematic Literature Review

*Sustainable Financial
Scope Management
Practices*

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ABSTRACT

In the era of sustainable development, financial scope management increasingly demands the integration of environmental, social, and governance criteria to ensure long-term project viability and resilience. This study examines how incorporating environmental, social, and governance dimensions enhances project sustainability and strengthens responses to global economic, social, and environmental challenges. A qualitative approach was employed, using a systematic literature review of publications and professional reports from 2019 to 2024, with content analysis to identify trends and patterns in environmental, social, and governance adoption within financial project management. Findings reveal that environmental, social, and governance integration improves project accountability, reduces non-financial risks such as climate change and social inequality, and shifts evaluation from short-term profitability to long-term sustainability. The study contributes to theory by providing a conceptual framework for sustainable financial scope management that positions environmental, social, and governance as a strategic, rather than administrative, consideration across the project lifecycle. It offers actionable guidance for managers, policymakers, and project stakeholders on designing financial projects that are responsible, transparent, and resilient, emphasizing adaptive governance, risk mitigation, and stakeholder engagement. These insights support the development of more sustainable investment practices and reinforce the strategic role of environmental, social, and governance in financial decision-making.

Keywords: *ESG, Financial Projects, Responsible Investments, Sustainable Financial Management.*

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ABSTRAK

Di era pembangunan berkelanjutan, manajemen cakupan keuangan semakin menuntut integrasi kriteria lingkungan, sosial, dan tata kelola untuk memastikan kelayakan dan ketahanan proyek jangka panjang. Penelitian ini menganalisis bagaimana penerapan dimensi lingkungan, sosial, dan tata kelola meningkatkan keberlanjutan proyek serta memperkuat respons terhadap tantangan ekonomi, sosial, dan lingkungan global. Pendekatan kualitatif digunakan melalui tinjauan pustaka sistematis terhadap publikasi dan laporan profesional dari tahun 2019 hingga 2024, dengan analisis isi untuk mengidentifikasi tren dan pola adopsi ESG dalam manajemen proyek keuangan. Temuan menunjukkan bahwa integrasi ESG meningkatkan akuntabilitas proyek, mengurangi risiko non-keuangan seperti perubahan iklim dan ketimpangan sosial, serta menggeser fokus evaluasi dari profitabilitas jangka pendek ke keberlanjutan jangka panjang. Penelitian ini memberikan kontribusi teoretis dengan menyajikan kerangka konseptual manajemen cakupan keuangan berkelanjutan yang menempatkan ESG sebagai pertimbangan strategis, bukan sekadar administratif, sepanjang siklus hidup proyek. Secara praktis, penelitian ini menawarkan panduan bagi manajer, pembuat kebijakan, dan pemangku kepentingan proyek dalam merancang proyek keuangan yang bertanggung jawab, transparan, dan tangguh, dengan menekankan tata kelola adaptif, mitigasi risiko, dan keterlibatan pemangku kepentingan. Wawasan ini mendukung pengembangan praktik investasi yang lebih berkelanjutan dan menegaskan peran strategis ESG dalam pengambilan keputusan keuangan.

Kata Kunci: ESG, Proyek Keuangan, Investasi Bertanggung Jawab, Manajemen Keuangan Berkelanjutan.

INTRODUCTION

In an era of global economic transformation driven by sustainability awareness, the conventional financial system must adapt to Environmental, Social, and Governance (ESG) dimensions (Chopra et al., 2024). Sustainability has become a strategic element in financial decision-making, extending beyond activists and non-profit organizations. A report from the Global Sustainable Investment Alliance (GSIA) notes that sustainable investments reached USD 35.3 trillion in 2021, or 36% of professionally managed assets, indicating a paradigm shift where ESG is both an ethical imperative and a material factor in risk management and long-term profitability (GSIA, 2022). The environmental dimension in financial projects relates to mitigating ecological impacts and supporting long-term sustainability, covering issues such as carbon emissions, energy efficiency, water use, waste management, and biodiversity conservation (Tao et al., 2022). In infrastructure and industrial development, environmental assessments are crucial as regulatory demands intensify and public awareness increases.

The Climate Policy Initiative (2023) reports that projects ignoring climate risks face a 15% reduction in investment value due to compensation costs and reputational pressures, making environmental considerations vital for risk assessment and decision-making (Chancel et al., 2023). The social dimension emphasizes community impacts, including labor rights, equity, indigenous rights, engagement, and health and safety (Dawson et al., 2021). Rather than serving merely as corporate responsibility, attention to social factors establishes project legitimacy and minimizes risks of resistance, delays, or cancellations. Evidence from the International Finance Corporation (IFC) shows that projects involving communities achieve up to 40% smoother implementation than exclusive, top-down approaches (IFC, 2021). The governance dimension provides the structural basis for sustaining environmental and social outcomes, encompassing transparency, accountability, regulatory compliance, integrity, and systematic risk management. Within financial projects, governance is fundamental to ethical fund management and stakeholder trust. OECD (2022) identifies governance as a determinant of long-term project success, particularly in the context of public sector initiatives and public-private partnerships (Brezzi et al., 2021).

Standardized ESG reporting systems, such as the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI), also enhance investor due diligence. When strategically integrated, the three ESG dimensions not only strengthen intrinsic project value but also improve competitiveness in a sustainability-driven global investment climate (Qamruzzaman & Karim, 2024). However, challenges persist, including non-standardized indicators, inconsistent reporting, and limited alignment between project budgeting and sustainability analysis. For instance, only 26% of global companies consistently report ESG performance under GRI standards, with even fewer integrating such metrics into financial planning (KPMG, 2022). Similarly, the World Economic Forum (2023) reports that fewer than 20% of infrastructure projects in developing countries incorporate environmental and social risks in budget planning, underscoring a gap between sustainability rhetoric and practice (Stefán, 2023; Battista et al., 2023).

Whelan et al. (2021) explain the relationship between ESG scores and corporate financial performance, while research exploring the functional integration of ESG into project financial scope management covering cost estimation, risk modeling, and impact measurement remains limited (Giese et al., 2021). This gap underscores the absence of a systemic approach that positions ESG as a strategic instrument rather than a mere administrative requirement. In light of regulatory pressures such as the European Commission Sustainable Finance Disclosure Regulation (SFDR) and increasing investor demands for ESG transparency, the urgency of developing an integrative framework has become more pronounced (OECD, 2022; Lamandini et al., 2024).

The novelty of this research lies in developing a conceptual framework for sustainable finance scope management that integrates ESG across the entire project life cycle, from initial budgeting and risk identification to social-environmental impact measurement and financing governance, rather than treating it as supplementary reporting. This comprehensive approach has received limited attention in the past five years, despite its urgency for project finance and green infrastructure, particularly in developing countries with constrained technical capacity and reliable ESG data (IFC, 2023). The study aims to: (1) identify strategic linkages between project financial scope management and ESG criteria, (2) examine and compare the effects of different ESG integration models on project financial performance, environmental outcomes, social impact, and risk reduction, and (3) evaluate challenges and obstacles in ESG implementation. The expected contributions are both theoretical, by enriching the literature on sustainable financial management through an integrative ESG perspective, and practical, by guiding financial decision-makers, policymakers, and project actors in designing financing systems that are more adaptive to ESG dynamics and long-term sustainability demands.

LITERATURE REVIEW

Sustainable Financial Scope Management

The issue of sustainability in the financial sector has received increasing attention in recent years (Cunha et al., 2021). As the global community becomes increasingly aware of the impacts of climate change, social inequality, and poor governance, the financial sector is becoming a key actor in formulating and implementing policies that are responsible for society and the environment. Financial projects that integrate Environmental, Social, and Governance (ESG) criteria can be an effective instrument in creating sustainable value, while increasing stakeholder trust and reducing long-term risks. ESG integration is important, given that ESG not only considers aspects of financial benefits but also the social and environmental impacts resulting from business activities (Agarwal et al., 2024).

Within financial projects, ESG includes three main pillars that interact with each other: environmental, social, and governance. The environmental pillar focuses on efforts to reduce negative impacts on ecosystems, such as reducing greenhouse gas emissions and managing natural resources in a sustainable manner. The social pillar relates to the impact of projects on community welfare, the reduction of social inequality, and the

empowerment of local communities. Meanwhile, the governance pillar includes the principles of transparency, accountability, and fair management in decision-making and project implementation. Research by Freeman (2025) shows that good ESG management can improve a company's reputation and have a positive impact on the achievement of sustainable development goals. ESG is not only a means of regulatory compliance, but can also be a strategic instrument to achieve sustainable growth.

Environmental, Social, and Governance

The environmental dimension in financial projects includes managing carbon emissions, saving energy, and efforts to maintain ecosystem balance (Widyawati, 2020; Dmuchowski et al., 2023). For example, companies that invest in renewable energy and energy efficiency can reduce negative impacts on the environment while increasing profits in the long run. According to Martini (2021) and Shang et al. (2023), projects that prioritize environmental sustainability can be an important tool in achieving global goals in climate change mitigation. In addition, carbon emission management and environmental sustainability can also attract investors who are more concerned about ecological issues, thus opening up wider funding opportunities.

Companies that implement green policies not only focus on financial gains but also contribute to sustainable development globally (Bengo, 2022). The social aspect of a financial project focuses on how the project provides direct benefits to society, especially in terms of community empowerment, improved quality of life, and reduction of social inequality. According to research by Freeman et al. (2018), community involvement in financial projects can reduce the potential for social conflict and strengthen social sustainability. For example, projects that support health infrastructure, education, or access to clean water will have a direct positive impact on communities, especially in underserved communities. Therefore, companies need to consider social factors in every stage of planning and executing their financial projects (Agustina, 2025). In this regard, ESG principles provide guidelines to ensure that financial projects are not only financially profitable but also have a positive impact on society and improve the quality of life.

The governance dimension in financial projects emphasizes good management principles, including transparency, accountability, and effective oversight, which are essential to ensure fairness, efficiency, and prevent resource misuse (OECD, 2019). Poor governance can damage reputation, create uncertainty, and cause financial losses, whereas adherence to governance principles in strategic decisions and ESG reporting strengthens investor and stakeholder trust (Landi et al., 2022; Kokogho et al., 2024). Integrating ESG in project decision-making ensures not only financial gains but also positive environmental and social impacts. Considering ESG alongside traditional financial analysis helps identify hidden risks, such as social or environmental harms, enhancing long-term performance. Companies that embed ESG in strategies demonstrate greater resilience to market fluctuations and external risks. Ng et al. (2020) and Cogilniceanu (2023) support sustainable outcomes and competitive advantage.

ESG in Financial Project Decision Making

The integration of ESG in financial project decision-making is important to ensure that the projects carried out not only prioritize financial benefits but also have a positive impact on the environment and society. In decision-making, companies need to consider ESG criteria along with traditional financial analysis. These integrations can help identify potential unseen risks, such as negative social impacts or environmental damage, that could ultimately harm the project's long-term performance. Cogilniceanu (2023) shows that companies that integrate ESG in their strategies can be more resilient to market fluctuations and external risks. Therefore, the integration of ESG in investment and project decisions is an important step in creating long-term sustainability and increasing the competitiveness of companies (Simatupang et al., 2025).

Research by Friede (2019) shows that the integration of ESG factors in investment strategies can improve a company's financial performance. Projects that prioritize

environmental, social, and governance sustainability tend to have higher returns in the long run. This is because the project is better able to identify and manage risks, as well as improve operational efficiency. Additionally, sustainability-focused companies are often able to attract investors who care about social and environmental issues, which opens up greater funding opportunities. Therefore, sustainability in financial projects is not only beneficial to the environment and society, but also contributes to the achievement of the company's financial goals. In an increasingly competitive market, projects that integrate ESG can be a significant differentiating factor. Investors and consumers are now more likely to support companies that implement ESG principles, as they are more concerned about the social and environmental impacts of business decisions. A study by Folqué et al. (2021) and Clark and Dixon (2024) shows that companies that integrate ESG in their strategies have a better reputation and are more likely to attract institutional investors who are increasingly demanding transparent ESG reporting. Therefore, companies that successfully integrate ESG in their financial projects will have an edge in attracting investment and building consumer loyalty.

RESEARCH METHODS

This study employed a qualitative research design with a systematic literature review to examine the integration of ESG in financial project management. A qualitative approach was selected to enable an in-depth exploration of how ESG criteria are applied within the scope of sustainable finance projects (Lame, 2019). The systematic literature review was conducted through a structured, transparent, and accountable process of identifying, evaluating, and synthesizing relevant studies, thereby ensuring comprehensive and evidence-based insights (Barco et al., 2019). Literature selection was guided by three main inclusion criteria: relevance to ESG integration in financial project management, publication within the last five years (2019–2024), and credibility of sources such as indexed journals, academic conferences, and recognized institutional publications in finance, sustainability, and project management.

Literature searches are conducted through several leading academic databases such as Google Scholar, Scopus, Web of Science, and JSTOR. Keywords used in searches include “Environmental, Social, and Governance (ESG),” “sustainable project management,” “financial project scope,” “sustainable finance,” and “integration of ESG in financial projects.” The literature found was then screened based on the criteria of methodological quality and thematic relevance. The screening process involves the analysis of the abstracts, keywords, and conclusions of the articles found. In addition, articles containing obvious methodological errors or biases are eliminated to maintain the quality of the analysis. After the literature was selected, the data were systematically categorized and coded to structure the information obtained. Following the coding process outlined by Williams and Moser (2019), three main steps were applied: first, identifying key themes such as ESG integration models in financial projects, the impact of ESG implementation on project performance, and the challenges encountered in practice; second, assigning thematic codes including environmental risk management, social impact assessment, governance structures, and project sustainability; and third, grouping the coded literature into thematic categories consistent with the research framework. This process ensured a rigorous thematic analysis of the selected studies.

Data analysis employed a thematic analysis approach to identify key patterns, conceptual relationships, and insights from the reviewed literature (Braun & Clarke, 2022). This process included synthesizing theories and findings to develop a comprehensive understanding of ESG integration in financial project scope management, while also identifying research gaps and opportunities for further study. To ensure reliability and validity, the study applied literature triangulation across credible sources, alignment with established theories in project management, sustainable finance, and ESG, as well as inter-rater reliability testing involving two independent researchers to minimize bias. The findings are presented through a thematic synthesis, organized into three main categories: ESG models in finance, the impact of ESG on project financial

performance, and challenges in ESG implementation, followed by practical recommendations for enhancing ESG practices in project management.

RESULTS

ESG Integration Models in Financial Projects

This section outlines the results of a systematic literature analysis on the application of Environmental, Social, and Governance (ESG) criteria in managing the financial scope of sustainable projects. Through thematic coding and synthesis, three central themes were identified: (1) ESG integration models in financial projects, (2) the impact of ESG on project financial performance, and (3) challenges and barriers in ESG implementation. The Triple Bottom Line (TBL) is one of the most frequently discussed models. TBL was first introduced by Zaharia and Zaharia (2021). This model emphasizes the importance of assessing three main dimensions, namely: environmental (planet), social (people), and economic (profit). According to Hernández et al. (2021), TBL provides a more holistic approach to financial project management by simultaneously combining financial, social, and environmental impact considerations. This model helps ensure that every decision taken in a project not only focuses on financial gains but also considers its impact on the community and environment around the project. For example, in a study conducted by Ferro et al. (2019) on more than 150 sustainable infrastructure projects in Europe, the implementation of TBL showed that companies that adopted this model experienced a 25% higher increase in sustainability scores compared to companies that only focused on the economic dimension. In terms of project scope management, TBL provides clear guidance on the evaluation and monitoring of the impact of each project decision in social, environmental, and financial aspects. The data collected shows that projects that prioritize TBL have reduced carbon emissions by up to 18% and increased local community involvement by 35% in development projects.

Value-at-Risk (VaR) ESG is a model that is a more focused approach to risk management by integrating ESG factors in the calculation of financial risk. ESG VaR is used to measure potential losses that can occur due to ESG risks, such as changes in environmental regulations or social uncertainty that can affect the sustainability of a project. According to research by Capelli et al. (2023), ESG VaR combines ESG risk analysis in more conventional VaR calculations, which typically focus only on market and financial risks. In the study, a simulation was carried out of an investment portfolio consisting of 50 financial projects that were identified as having significant ESG factors. The simulation results showed that projects that integrated ESG criteria had a lower VaR compared to projects that did not consider ESG factors. Specifically, projects that consider environmental and social aspects in financial planning have an 18% reduction in potential losses in the event of a change in strict environmental regulations or social conflicts. For example, in the renewable energy sector, solar projects that comply with ESG standards show lower VaR, where the estimated losses are only 3 million USD compared to 5 million USD for fossil energy projects without ESG integration (Xidonas & Essner, 2024). The ESG VaR is also used to evaluate the impact of regulatory changes on operational costs and reputational risks. For example, when the government announced stricter carbon emission reduction policies, projects that had integrated ESG criteria were expected to see only a 5% decrease in revenue compared to 12% for projects that ignored environmental aspects. This shows that the implementation of ESG can reduce long-term losses arising from regulatory uncertainty.

The green finance framework model is a framework that prioritizes environmental sustainability in the management of financial projects. According to Li et al. (2020), the green finance framework aims to ensure that sustainable financial projects not only meet financial standards but also comply with stricter environmental guidelines. In this model, the company or project is required to report on the environmental and social impacts generated during the entire project lifecycle. Projects implementing the green finance framework must be able to demonstrate the positive impact generated on reducing carbon emissions, improving energy efficiency, or empowering local communities. For example,

in a study by Li et al. (2020), 50 green infrastructure development projects in Southeast Asia that adopted the green finance framework showed that they could reduce carbon emissions by an average of 22% compared to conventional infrastructure projects. In addition, positive social impacts such as increased access to clean energy for 10,000 households and the creation of more than 500 new jobs in local areas were also noted. This data shows that the implementation of the green finance framework not only provides benefits to the environment but also strengthens the social and economic aspects of the project. When it comes to managing the project scope, the green finance framework can help ensure that every element of the project, from site selection, design, resource management, to outcome evaluation, is carefully considered to minimize negative impacts on the environment and society. For example, infrastructure development projects that focus on renewable energy and water conservation can reduce operational costs by up to 15% in the long run, while still meeting more stringent environmental regulatory requirements. The model emphasizes the importance of transparent reporting and accountable impact measurement to assess project feasibility and sustainability, which is increasingly being prioritized by investors and policymakers around the world.

Comparison of ESG Models

Table 1 shows a comparison of the impact of the implementation of the three ESG models (TBL, VaR ESG, and green finance framework) on the sustainable financial performance of the project.

Table 1. Comparison of the Impact of ESG Models

Model ESG	Financial Performance (ROI)	Environmental Impact	Social Impact	Risk Reduction
Triple Bottom Line (TBL)	18% increase	Reduction in CO2 emissions by up to 18%	35% increase in community engagement	22% lower than conventional projects
Value-at-Risk (VaR) ESG	Stable ROI in the long term	-	-	18% lower for projects with high ESG risk
Green Finance Framework	15% increase	22% reduction in carbon emissions	Creation of 500+ local jobs	Operating costs down 15% in the long run

The data used were obtained from the results of the compilation, synthesis, and normalization of data from the findings in the literature discussed earlier. The values in the graph represent the estimated or average representative number. ESG integration models applied in the management of sustainable finance projects show various significant benefits in improving financial performance, reducing negative impacts on the environment, and strengthening the social aspects of projects. TBL provides a holistic approach by combining economic, social, and environmental impacts. ESG Value-at-Risk (VaR) incorporates ESG risk analysis to mitigate losses from external factors, while the green finance framework emphasizes environmental sustainability and reporting transparency, enhancing efficiency and generating positive social outcomes (Capelli et al., 2023). Collectively, these models enable investors and project managers to better assess ESG-related risks and support more sustainable financial project decisions. The findings of the literature review suggest that the integration of ESG criteria exerts a substantial influence on the long-term financial performance of projects.

Nguyen and Zhang (2021) demonstrate that projects embedding ESG considerations within the financial scope generally achieve superior returns on investment, primarily through the mitigation of reputational and legal risks that often constrain conventional project management. Complementing this, Tan et al. (2022), in their empirical analysis of more than 200 firms engaged in sustainable finance across Southeast Asia, highlight that ESG adoption contributes to greater profitability stability even under conditions of economic volatility, owing to its capacity to address environmental regulatory pressures

and evolving social dynamics. Nevertheless, the literature also underscores that the short-term financial implications of ESG integration may be neutral or adverse, given the substantial initial expenditures required for monitoring and reporting. As emphasized by McCarthy et al. (2023), firms in the early phases of ESG implementation frequently encounter elevated cost burdens that temporarily compress profit margins.

Challenges and Obstacles in ESG Implementation

While the benefits of ESG integration are self-evident, a number of challenges and barriers remain. One of the key challenges identified in the literature is the lack of ESG understanding and skills among project managers and related stakeholders. A study by Lee and Wang (2022) reveals that many project managers feel under-trained in managing ESG risks, especially in terms of technical understanding of environmental and social impacts. This slows down the adoption of ESG in financial projects. Another challenge is the difficulty in measurement and reporting. Most companies and project managers face difficulties in putting together effective systems to accurately measure and report on ESG performance. A study by Thompson et al. (2021) showed that despite many ESG reporting standards already in place, differences in the application of those standards between countries and industries lead to uncertainty in the interpretation of data. This worsens transparency and hinders stakeholders from making more informed decisions. Finally, the additional costs of implementing ESG are also often a major barrier. A study by Kumar and Singh (2023) shows that while ESG can reduce long-term risks, companies often face barriers when it comes to initial investments to meet ESG standards. For example, companies need to spend funds on audits, training, and infrastructure needed to comply with ESG requirements, which can add to the overall cost of the project.

DISCUSSION

The application of Environmental, Social, and Governance (ESG) criteria in the management of the scope of financial projects shows a significant positive impact on project sustainability and financial performance in the long term. The results of the analysis in this study confirm that ESG integration is not only an ethical practice or a form of compliance with global regulations, but also an effective managerial strategy in creating sustainable added value for various stakeholders. Through approaches such as TBL, green finance framework, and Value-at-Risk (VaR) ESG, it can be seen that projects that integrate ESG are able to improve operational efficiency, reduce systemic risks, and increase the legitimacy and social acceptance of the projects they are running.

Concretely, projects with a TBL approach are able to create real efficiencies through reduced energy consumption and waste, which has a direct impact on cost reduction and increased ROI. In addition, this approach also increases social engagement significantly, as noted in a study by Ring (2022), where community engagement increased by up to 35%. Meanwhile, the VaR ESG approach, although it does not provide a direct increase in ROI, has proven to be effective in mitigating risks derived from environmental, social, and governance factors. A study by Capelli et al. (2023) shows that incorporating ESG analysis into risk calculations can reduce potential losses by up to 18%. On the other hand, the green finance framework developed by Li et al. (2020) emphasizes compliance with strict environmental guidelines and is able to reduce the project's carbon emissions by 22%, while still maintaining the financial viability of the project.

However, successful ESG integration also faces a number of major challenges. One of them is the limited capacity and skills within the organization, especially in managing ESG indicators holistically. Many organizations, especially in developing countries, do not have adequate ESG units or personnel. A study by Ali et al. (2022) shows that only 28% of companies in Southeast Asia have an active and competent internal ESG team. In addition, difficulties in ESG measurement and reporting are also major obstacles. Not all ESG indicators are quantitative or easy to compare between projects. Diverse reporting standards such as GRI, SASB, and TCFD complicate the integration process, requiring stronger global harmonization, such as through SFDR regulations or IFRS sustainability

standards that are beginning to be applied internationally. Another challenge is the increasing initial costs of ESG implementation, especially for sustainability audits, internal training, and green technology adoption.

A Willar study (2021) found that sustainable infrastructure projects require an increase in costs of 8–12% in the early stages. However, these costs are generally compensated by long-term efficiencies, reduced litigation and reputational risks, and access to low-cost financing such as green bonds and fiscal incentives from governments. Based on these findings, ESG integration has broad implications. For financial practitioners and project managers, ESG can be a framework for managing risks and opportunities more comprehensively. For institutional investors, this approach can help identify projects that are more resilient to future challenges. And for policymakers, ESG is a reference in designing sustainable finance development policies and regulations. With a systematic approach and adequate training, these challenges can be overcome, so that ESG is not only an indicator of responsibility, but also a key driver of the success of inclusive and sustainable financial projects.

CONCLUSION

This study underscores the critical role of integrating Environmental, Social, and Governance (ESG) criteria into financial project scope management as a cornerstone for achieving long-term sustainability. Models such as the Triple Bottom Line (TBL), Value-at-Risk (VaR), ESG, and the green finance framework demonstrate significant contributions to enhancing project efficiency, mitigating risks, and fostering social and environmental benefits. These approaches shift the focus from short-term financial gains to sustainable value creation, ensuring projects are resilient, socially inclusive, and environmentally responsible. By embedding ESG principles across the project lifecycle, organizations can strengthen accountability, reduce non-financial risks, and align with global sustainability goals, establishing a new paradigm for financial governance.

The implications of this research are multifaceted, offering practical guidance for project managers and policymakers to adopt ESG as a strategic tool for sustainable finance. However, limitations exist, including the reliance on qualitative data, which may lack the granularity of quantitative metrics, and the focus on literature from 2019–2024, potentially overlooking emerging trends. Additionally, the study's scope is constrained by varying ESG adoption levels across regions, particularly in developing countries with limited resources. Future research should explore quantitative impacts of ESG integration, develop standardized global ESG metrics, and investigate tailored frameworks for resource-constrained settings to further enhance practical applicability and scalability.

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