Empirical Economics Letters, 25 (Special Issue 4): pp. 115-122, (June 2026) ***ISSN 1681 8997***
https://doi.org/10.5281/zenodo.21694634

Does Stock Market React on Inclusion of Firms in Dow Jones Sustainability Indices? Empirical Evidence for Indian Firms

Ashu Lamba

School of Business Studies
Vivekananda Institute of Professional Studies
GGSIP University, India

Abstract: The research paper investigates the short-term reaction on the stock prices of the Indian firms included in Dow Jones Sustainability Indices from the period of 2001-2022. There is no significant reaction on the abnormal returns on the day of the announcement. Instead, the cumulative abnormal returns are negative in all the event windows and found to be significant in the intervals (-3, -1), (-3,3) and (-5, -1). This indicates that the inclusion of the Indian firms in the sustainability indices is not perceived a value creating event rather a value destroying event by the investors.

Keywords: Stock Market, Dow Jones Sustainability Index, Indian Firms