

Effect of Environmental Social and Governance (ESG) Performance on Profitability of Non-Financial Firms: Empirical Insights from the UK

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ABSTRACT

This research seeks to analyze the Effect of ESG Performance on Profitability of Non-Financial Firms: Empirical Insights from the UK, Index during the period from 2012 to 2021. This research constitutes a confirmatory study employing a quantitative methodology. The study draws upon secondary data sourced from the Refinitiv website, encompassing a comprehensive sample of 215 companies that were active and registered during the analyzed timeframe. The focus was on non-financial enterprises, ensuring complete data coverage of relevant variables. To analyze the relationships, a panel data regression approach was adopted, employing the GMM model as the chosen estimation technique. In our analysis, ESG combined score (ESG_CS) emerged as a positive driver of profitability (ROA), while Social (SOC) and Environmental (ENV) factors exhibited negative influences. Governance (GOV) had an insignificant relationship with

ROA, aligning with stakeholder theory. In the case of Return on Equity ('ROE'), our findings revealed that environmental and social factors (ENV and SOC) exerted detrimental effects. This succinct summary highlights the complex dynamics shaping financial performance in our analysis.

1. Introduction

The growing demand for businesses to allocate resources to non-financial aspects, such as environmental responsibility, social impact, and governance practices, is driven by heightened awareness among investors and a global recognition of associated risks. Stakeholders, including shareholders, employees, suppliers, consumers, and governmental bodies, now expect proactive engagement from companies across these fronts. Companies typically report their performance in these areas through the lens of Environmental, Social, and Governance (ESG) metrics. However, taking action in these domains requires substantial investment, raising questions about their financial viability—an issue often deliberated in board meetings and relevant committees. This article investigates the relationship between ESG performance and financial returns.

According to stakeholder theory (Freeman, 1984), enduring businesses excel in balancing the interests of various stakeholders, prioritizing collective well-being over the singular pursuit of shareholder profits. The endorsement of the stakeholder model by influential groups like the UK's Business Roundtable underscores this perspective, emphasizing the importance of stakeholders beyond just shareholders. Similar to how financial metrics are used to assess a company's performance for its shareholders, ESG metrics are increasingly being recognized as a strategic framework to align a company's vision with a broader spectrum of concerns raised by stakeholders (N. Ahmad, A. Mobarek, M. Raid, 2023).

Publicly listed companies increasingly embrace ESG disclosures, responding to investor demands, bolstering credibility, and enhancing their competitive positioning

within their respective sectors (A. Johnston, N. Samanta, 2023). The incorporation of sustainability practices is an evolving procedure, where certain companies utilize them to gain a competitive advantage, while others consider them as routine (M. Lee, J. Singh, 2023). Significantly, businesses are proactively enhancing their ESG initiatives, indicating potential financial gains from such endeavors (Yoon et al., 2018). There is increasing backing for a sustainable global economy from multilateral organizations, industry bodies, and national governments.

Businesses and investors are increasingly factoring in environmental, social, and governance (ESG) considerations (Eccles & Youmans, 2015, p. 15). Over time, scholars and business researchers have debated the relevance of ESG performance to corporate value and profitability. Corporate governance's influence on stock market performance has long been a subject of academic inquiry. Recent studies have extended their focus to examine the correlation between corporate environmental performance and stock prices, reflecting growing concerns about global warming and environmental sustainability. The COVID-19 pandemic has further shifted attention to demographic changes and social issues, with a spotlight on health, safety, well-being, and human capital management, including factors like employee satisfaction, diversity, and inclusion.

Numerous studies have explored how ESG factors impact a company's bottom line, yielding mixed results that often align with Shareholder theory, which posits that a firm's primary objective is maximizing shareholder profits. This article contributes fresh insights to the discourse. Our comprehensive dataset, current ESG ratings, and global coverage are indispensable for conducting a thorough examination. Quantifying ESG performance can be challenging, and we rely on Refinitiv ESG ratings, a leading source of ESG data collection and analysis worldwide, known for its timeliness and accuracy.

The structure of the paper is outlined as follows: Section 2 provides a review of prior research and formulates hypotheses. Section 3 outlines the data, variables, and

research methodology. Section 4 presents the findings, and Section 5 provides concluding remarks along with recommendations for future studies.

2. Literature review

The examination of company profitability in correlation with environmental, social, and governance (ESG) performance is explored by Mahmut Aydomuş. Given the extensive nature of our dataset, we can discern this impact. Our research reveals a positive and statistically significant association between a company's value and its ESG composite score. While the Environment score does not exhibit a significant relationship with business value, the Social and Governance ratings demonstrate a positive correlation. Conversely, both the ESG composite score and individual Environment, Social, and Governance scores exhibit positive and substantial connections with business profitability.

The purpose of this research is to determine whether the financial success of companies in ecologically vulnerable sectors is affected by their environmental, social, and governance (ESG) records (Nasruzzaman Naeem). The research also compares environmental-conscious companies in established and developing economies to identify regional differences in the effect of ESG performance on financial results. Our research shows that environmentally conscious companies' return on equity and Tobin's Q are highly correlated with their ESG performance on the whole. Moreover, our results show that environmentally conscious businesses' ESG performance has a greater influence on their financial success in established nations than in developing markets.

2.1 ESG Performance and Profitability

The goal of this article is to analyse the relationship between environmental, social, and governance performance (ESGP) and financial results, both as a whole and in their parts (FINP) (P. Velte, 2017). Although ESGP does increase return on investment, it does not affect Tobin's Q. By looking at the three parts of ESGP separately, it becomes clear that governance performance has the most effect on FINP. The correlation between ESG scores and stock price in Korea is investigated by Yoon et al. (2018).

They prove that CSR activities have a positive and sizable impact on the firm's market value, while the precise nature of that impact may vary according to the specifics of each company. Elevated ESG performance could potentially contribute to improving the financial performance of China's listed energy companies, as demonstrated by Zhao et al. (2018) in their examination of China's listed energy firms. They explored the connection between ESG performance and financial indicators within the energy market, revealing a positive impact.

Dalal and Thaker (2019), who looked at 65 Indian companies between 2015 and 2017, found that having a high ESG score correlates with greater financial performance. Based on their analysis of US corporations between 2006 and 2011, Fatemi et al. (2018) concludes that strong ESG activities and reporting increase company value. They argue that disclosure moderates value by dampening weaknesses' effect and highlighting strengths' significance.

Some scholars argue that ESG investment might diminish profits or a company's value. According to Barnett (2007), investing in Corporate Social Responsibility (CSR) could potentially harm a company's bottom line by diverting resources away from shareholders and towards non-shareholders. In a study covering S&P 500 businesses from 2007 to 2011, Nollet et al. (2016) utilize accounting and market variables to examine the relationship between corporate social responsibility and financial success. Linear models reveal a negative correlation, while non-linear models indicate a positive one. Additionally, Marsat and Williams (2011), using global MSCI ESG ratings, discover a negative correlation between CSR and corporate value.

While looking at businesses listed on the Korea Stock Exchange between 2008 and 2014, Han et al. (2016) finds no correlation between social and environmental scores but do discover a correlation between social and governance scores. Listed Malaysian firms' profitability, firm value, and cost of capital are all examined by Atan et al. (2019) to determine the impact of ESG ratings. They don't detect any connection to business profitability or worth. Between 2007 and 2017, Saygili et al. (2021) conducted an analysis on the influence of environmental, social, and governance (ESG) performance

on the financial performance of Turkish listed firms. They discovered a negative correlation between firm financial performance and environmental reporting, a positive correlation with stakeholder engagement in management, and a positive correlation with governance.

In a study spanning from 2010 to 2019, Giannopoulos et al. (2022) investigated the impact of environmental, social, and governance (ESG) ratings on the financial performance of Norwegian listed enterprises. Their contradictory findings indicate a positive correlation between ESG scores and company value (Tobin's Q), but a negative correlation between ESG scores and profitability (ROA).

Behl et al. (2022) examined how ESG reporting influences the value of Indian energy companies, revealing conflicting results.

In their cross-national analysis of the correlation between ESG reporting and credibility, Lopez-de-Silanes et al. (2020) conclude that ESG ratings don't affect companies' bottom lines.

2.3 Hypotheses

Drawing from the literature analysis mentioned above, we expect that achieving high scores on ESG metrics could positively impact both the value and profitability of a company, particularly considering the growing focus from investors and the public perception of the business. To validate this hypothesis, we will test the following theories: [proceed with outlining the specific theories being tested].

H1: ESG performance has a positive and significant impact on profitability

There seems to be a favorable correlation between ESG and corporate profitability, as shown by several academic research and practical market findings. Yet, there are also a fair number of discouraging and contradictory findings from the past. The study will make an effort to add to this discussion by using the hypotheses to analyze a large, up-to-date, and thorough dataset.

3. Methodology

This section discusses the data format and the definition of each variable and method. Plus, the data panel was used to organize the data.

3.1 Sample Data

We chose the top 215 publicly traded firms using a data stream spanning 2012–2021, yielding 2200 panel data firm-year observations as a starting point.

3.1.1 Dependent Variables

Several studies (Naeem et al., 2022; Saygili et al., 2021; Giannopoulos et al., 2022; Ersoy, B. Swiecka, S. Grima, E. Zen, and I. Romanova - Sustainability, 2022) have utilized Return on Assets (ROA) and Return on Equity (ROE) as proxies for profitability. Both metrics are sourced from data streams.

Return on Assets (ROA) and Return on Equity (ROE) are commonly chosen by analysts and market professionals to assess a company's profitability. They provide insights into the efficiency with which a company transforms its resources into revenue. Increases in ROA and earnings per share are indicative of successful financial management. The following equation is employed to calculate ROA and ROE: [Include the specific equation used for calculating ROA and ROE].

$$\text{ROA} = \text{NI} / \text{Total Asset}$$

$$\text{ROE} = \text{NI} / \text{Total Equity}$$

3.1.2 independent variables

The paper employs a comprehensive ESG score, along with individual scores for the environment, society, and administration. All ESG ratings are sourced from Refinitiv, a choice favored by many researchers in their papers (Duque-Grisales & Aguilera-Caracuel, 2021; Chairani & Siregar, 2021; Giannopoulos et al., 2022; Naeem et al., 2022).

The three pillars of Environment (covering emissions, innovation, and resource utilization), Society (encompassing human rights, workforce, product responsibility,

and community), and Governance (including shareholders, management, and CSR strategy) structure the ESG assessment. Refinitiv gathers much of its information from open sources such as corporate websites and annual reports, supplementing it with internal data from the firms. They rigorously verify and normalize this information before calculating ESG ratings.

3.1.3 Control Variables

In our adjustments for various factors, our attention is directed towards Size and Leverage, a methodology supported by previous studies (Stock and Watson, 2015; Atan et al., 2019; Giannopoulos et al., 2022; Naeem et al., 2022).

Table 1. Variables and Measurements

Dependent Variables	Measurements
ROA	Net Income/ Total Asset
ROE	Net Income/ Total Equity
Independent Variables	
ESG	Refinitiv score
Environmental Score	Refinitiv score
Social Score	Refinitiv score
Governance Score	Refinitiv score
Control Variables	
Firm Size	Log of Asset

Leverage

Total debt to Total Asset

GDP

Gross Domestic Product

3.2 Research Model

For more investigation, we used two dependent variables in two models, such as ROA, and ROE (Balatbat, M., Siew, R., & Carmichael, D., 2012 used in a model. Also, our independent variables are (ESG, ENV, SOC, and GOV). and we used each firm size and leverage as control variables. We used two models for running to get the results.

$$ROE_{it} = \beta_0 + \beta_1 ESG_{it} + \beta_2 ENV_{it} + \beta_3 SOC_{it} + \beta_4 GOV_{it} + \beta_5 Leverage_{it} + \beta_6 \log(TASST)_{it} + \epsilon_{it}$$

$$ROA_{it} = \beta_0 + \beta_1 ESG_{it} + \beta_2 ENV_{it} + \beta_3 SOC_{it} + \beta_4 GOV_{it} + \beta_5 Leverage_{it} + \beta_6 \log(TASST)_{it} + \epsilon_{it}$$

4. Findings

In this chapter, we conducted Descriptive Statistics to provide a comprehensive overview of the dataset, followed by a Correlation Matrix to explore potential relationships between variables. Additionally, a Regression Analysis was performed to assess the impact of various independent variables on the dependent variable, shedding light on their significance within the model.

4.1 Descriptive Statistics

Table 2. Descriptive Statistics

	ROA	ROE	ENV	ESG	GOV	SOC	F_SIZE	GDP	LEV
Mean	0.102	0.299	52.15	56.79	5169	57.01	9.612	2.84E+1 2	0.230

Maximum	3.116	85.60	97.11	97.71	1.28E+10	97.22	11.89	3.13E+12	1.014
Minimum	-0.295	-125.9	0.000	0.000	0.000	0.000	7.686	2.68E+12	0.000
Std. Dev.	0.176	3.829	24.10	17.94	7.46E+08	20.94	0.720	1.51E+11	0.171
Observations	2147	2147	2147	2147	2147	2147	2147	2147	2147

The presented figures outline a comprehensive overview of high and low results across a range of key financial and sustainability metrics. For Return on Assets (ROA), the maximum value of 3.12 signifies companies with notably high profitability, while the minimum of -0.30 indicates instances of negative profitability.

ROE, or Return on Equity, measures a company's profitability relative to its shareholders' equity. The maximum ROE of 85.60 indicates a company with exceptional profitability, while the minimum of -125.9 suggests a company with substantial losses exceeding its equity, reflecting significant financial challenges.

Environmental Pillar Score shows a wide span, reaching a high of 97.12, reflecting strong environmental performance for certain companies, while a low of 0.00 suggests limited or no environmental focus.

Similarly, the Environmental, Social, and Governance (ESG) Score attains a high of 97.71, highlighting companies excelling across sustainability dimensions, and a low of 0.00 representing the absence of focus.

Governance Pillar Score features a notably high maximum value, possibly indicating outliers, alongside instances of companies with no governance score. Social Pillar Score extends from 0.00 to 97.23, showcasing a broad range of social impact, with specific companies making significant contributions.

Firm Size (F_SIZE) displays a wide spectrum, with the highest value of 11.90 signifying substantial company magnitude, and lower values indicating smaller-scale entities. Gross Domestic Product (GDP) ranges from 2.68E+12 to 3.13E+12, indicating varying economic contexts for the sampled companies.

Leverage (LEV) showcases high values reaching 1.01, implying companies with relatively substantial debt, alongside instances of no leverage with a score of 0.00. These figures effectively illustrate the high and low outcomes within each variable, thereby providing a clear insight into the dataset's dynamics and contributing to a solid foundation for further analyses.

4.2 Correlation matrix

Table 3. Correlation Matrix between ESG and Profitability

	ROA	ROE	ENV	GOV	ESG	SOC	F_SIZE	GDP	LEV
ROA	1								
ROE	0.274	1							
ENV	-0.098	-0.045	1						
GOV	-0.037	-0.005	0.050	1					
ESG	-0.081	-0.038	0.830	0.130	1				
SOC	-0.124	-0.052	0.697	0.074	0.879	1			
F_SIZE	-0.265	-0.087	0.576	0.201	0.600	0.557	1		

GDP	0.008	0.022	0.057	-0.007	0.081	0.050	0.015	1	
LEV	-0.125	0.020	0.186	-0.081	0.224	0.235	0.157	0.023	1

The table presents correlation coefficients that illustrate the relationships between Return on Assets (ROA) and Return on Equity (ROE) with several independent variables. For ROA, there is a negative correlation with ESG (-0.081), suggesting that companies with a stronger focus on environmental, social, and governance factors may, on average, have lower Return on Assets. Similarly, ROA has a negative correlation with SOCIAL (-0.124), implying that firms emphasizing social responsibility might experience lower returns on their assets. In contrast, ROE has a slightly positive correlation with ESG (0.130), indicating that companies with better ESG performance tend to have slightly higher Return on Equity. The control variables, including F_SIZE, GDP, and LEV, each exhibit varying degrees of correlation with the financial and ESG metrics, indicating their potential influence on these relationships. These correlation coefficients provide insights into the complex interplay between financial performance, ESG considerations, and control variables within the dataset.

4.3 Regression Analysis

To address the issue of endogeneity, we employed the Panel Generalized Method of Moments (GMM) model, as originally introduced by Arellano and Bond (1991). Specifically, we utilized the dynamic panel GMM technique for our analysis. The study employed the two-step GMM estimator within the system framework, incorporating robust standard errors as suggested by (H. Abdullah and T. Tursoy in 2021) to examine the influence of ESG factors on the profitability of non-financial listed firms in the UK spanning the years 2012 to 2021

Variable	ROA		ROE	
	Coefficient	Prob.	Coefficient	Prob.
ROA(-1)	1.000000	0.0000		
ROE(-1)			-0.094894	0.0000

ENV	-6.49E-16	0.0106	-0.016592	0.0000
GOV	5.15E-23	0.6028	-0.012669	0.0000
ESG	9.88E-16	0.0348	8.54E-11	0.0000
SOC	-8.42E-16	0.0147	-0.016641	0.0000
F_SIZE	2.12E-14	0.0252	-2.278626	0.0000
GDP	-7.80E-28	0.5524	5.54E-13	0.0000
LEV	-1.11E-14	0.3339	1.832061	0.0000
No. of Observations	1715		1715	
J-statistic	10.90974		140.6425	
AR(1)	-0.792474	0.4281	-1.499671	0.1337
AR(2)	0.431182	0.6663	-1.632511	0.1026

In the "ROA" model, several independent variables exhibit statistically significant relationships with the dependent variable "ROA." Notably, the coefficient for "ENV" is $-6.49E-16$ with a p-value of 0.0106, indicating that environmental factors have a significant negative impact on "ROA." This suggests that as environmental factors increase, "ROA" tends to decrease, although the coefficient value is exceptionally small. Similarly, the coefficient for "ESG" is $9.88E-16$ with a p-value of 0.0348, signifying a statistically significant positive relationship between Environmental, Social, and Governance factors ("ESG") and "ROA." An increase in "ESG" is associated with a positive impact on "ROA."

In the "ROE" model, the coefficients and significance levels reveal different relationships. For instance, "ENV" has a coefficient of -0.016592 and a highly significant p-value of 0.0000, suggesting a negative effect of environmental factors on "ROE." Similarly, "SOC" has a coefficient of -0.016641 with a significant p-value of 0.0000, indicating a negative impact of social factors on "ROE." Conversely, "F_SIZE" has a coefficient of -2.278626 and a significant p-value of 0.0000, implying that firm size negatively affects "ROE." Moreover, "GDP" exhibits a positive impact on "ROE" with a coefficient of $5.54E-13$ and a p-value of 0.0000, indicating that an increase in Gross Domestic Product "GDP" corresponds to an increase in "ROE." Finally, "LEV" has a coefficient of 1.832061 with a significant p-value of 0.0000, highlighting a positive

relationship between leverage and "ROE," suggesting that higher leverage tends to lead to higher "ROE."

These coefficients and significance levels collectively provide valuable insights into how various independent variables impact the dependent variable, either "ROA" or "ROE," in the respective regression models, aiding in understanding the dynamics and determinants of these financial metrics. The primary diagnostic examinations suggested by Arellano and Bond (1991) for assessing the reliability of the GMM model include the Arellano-Bond test for autocorrelation errors and the Hansen J test for overidentification. The J-statistic is a test of the joint significance of instruments used in instrumental variable (IV) regression, helping determine their validity. A high J-statistic compared to critical values indicates the instruments are jointly significant. On the other hand, AR(1) and AR(2) are statistics used to check for autocorrelation in the residuals of a time-series regression model. AR(1) measures the correlation between residuals at consecutive time points (t and $t-1$), while AR(2) examines the correlation at a lag of two-time points (t and $t-2$). These statistics help assess whether there is a pattern of correlation in the model's errors over time, which is important for the reliability of regression results, especially in time-series analysis.

5. Conclusion

The objective of this study is to assess the impact of ESG Performance on the profitability of Non-Financial Companies, with a focus on empirical insights from the UK. The dataset includes 215 firms spanning the period from 2012 to 2021. We employ a panel data GMM model to examine profitability as the dependent variable. The findings from our analysis of four models with ROA as the dependent variable reveal a positive and significant relationship between ESG combined score (ESG_CS) and profitability. Conversely, Social (SOC) factors are associated with a negative and significant impact on profitability, while Governance (GOV) displays an insignificant positive relationship with ROA. Furthermore, Environmental (ENV) factors show a negative and significant relationship with ROA. These results, in line with stakeholder

theory, provide valuable insights into the dynamics of ESG and financial performance, with the exception of the Governance (GOV) score.

The absence of a discernible relationship between Governance and profitability may be attributed to several factors. Firstly, it's plausible that governance-related initiatives require a longer gestation period to yield tangible results for companies compared to actions related to social or environmental aspects. Some governance projects, for instance, might entail several years of implementation before their impact on profitability becomes evident. Additionally, the relatively high investment costs associated with governance-related actions could contribute to the observed trend. In contrast, environmental and social scores may be achieved more swiftly and at a lower cost. Notably, descriptive statistics reveal that the mean Governance score lags behind the mean environmental and social scores, potentially signaling slower and more resource-intensive progress in this particular ESG metric.

Drawing from the outcomes of the four models employing Return on Equity ('ROE') as the dependent variable, the 'ROE' model offers valuable insights into the determinants of 'ROE.' Noteworthy findings reveal that environmental factors ('ENV') and social factors ('SOC') both exert adverse effects, signified by negative coefficients and highly significant p-values, implying a detrimental influence on 'ROE.' Similarly, firm size ('F_SIZE') wields a notable negative impact, indicating that larger firms tend to witness reduced 'ROE.' In contrast, Gross Domestic Product ('GDP') establishes a positive correlation with 'ROE,' suggesting that an economic upturn corresponds to an augmented 'ROE.' Lastly, the leverage variable ('LEV') demonstrates a substantial positive coefficient, emphasizing the concept that greater leverage tends to yield increased 'ROE.' These discoveries collectively shed light on the intricate web of factors shaping 'ROE' within the examined context.

Our findings offer valuable insights, providing a basis for corporate leaders to justify increased resource allocation towards Environmental, Social, and Governance (ESG) initiatives. Furthermore, our results establish a foundation for policymakers to contemplate the creation of more comprehensive policies that endorse and support ESG practices. The intricacies of the relationship between ESG performance and

profitability offer a compelling avenue for future research. We advocate for a targeted investigation into the causal factors driving the impact of ESG on financial performance. This examination may involve exploring how activities related to emissions, innovation, resource management, human rights, workforce well-being, product responsibility, community engagement, shareholder relations, corporate management, and corporate social responsibility strategies directly influence financial performance. To enhance the paper's conclusions, focus on three key aspects: Firstly, provide specific, actionable strategies for non-financial firms to effectively integrate ESG practices for better profitability. Secondly, discuss the implications of the findings for policymakers, highlighting how they can encourage sustainable practices in the business sector. Lastly, acknowledge the study's limitations and suggest avenues for future research, such as exploring ESG impacts in various industries or geographic regions, to deepen understanding of these dynamics.

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کاریگه‌ری ئەدای ژینگه‌یی و کۆمه‌لایه‌تی و چه‌وکه‌مه له‌سه‌ر قازانجی کۆمپانیا ناداراییه‌کان : بیروکه ئەزموونییه‌کان له ئیندیکیسی به‌ریتانیا

پوخته:

ئهم تووژینه‌وه‌یه هه‌ولده‌دات کاریگه‌ری ئەدای ژینگه‌یی و کۆمه‌لایه‌تی و چه‌وکه‌مه له‌سه‌ر قازانجی کۆمپانیا ناداراییه‌کان شیبکاته‌وه: بیروکه ئەزموونییه‌کان له ئیندیکیسی به‌ریتانیا وه‌رگیراوه، له ماوه‌ی ساڵی 2012 تا 2021. میتۆدۆلۆژیای چه‌ندایه‌تی به‌کارده‌هینریت. داتای تووژینه‌وه‌که له مالپه‌ری Refinitiv وه‌رگیراوه، که نمونه‌یه‌کی گشتگیری 215 کۆمپانیا له‌خۆده‌گریت. ریبازی چه‌ماوه به‌پیی مۆدیلی GMM وه‌ک ته‌کنیکی خه‌ملاندنی هه‌لبژێردراو به‌کارهینرا. له شیکارییه‌کانماندا، (ESG_CS) وه‌ک بزوینه‌ریکی ئەرینی قازانج (ROA) ده‌رکه‌وت، له کاتیکدا هۆکاره کۆمه‌لایه‌تی (SOC) و ژینگه‌یییه‌کان (ENV) کاریگه‌ری نه‌رینیان نیشان دا. هه‌روه‌ها چه‌وکه‌مه (GOV)

په یوه نډیبه کی که می له گه ل ROA هه بوو، دوزینه وه کانمان دهریانخست که هؤکاره ژینگه یی و کومه لایه تیبه کان (ENV و SOC) کاریگه ری زیان به خشیان هه بووه.

تأثیر الأداء البيئي والاجتماعي والحوكمة (ESG) على ربحية الشركات غير المالية: رؤى تجريبية من بريطانيا

الملخص:

يحاول هذا البحث تحليل تأثير الأداء البيئي والاجتماعي والحوكمة على ربحية الشركات غير المالية: رؤى تجريبية من مؤشر المملكة المتحدة خلال الفترة من 2012 إلى 2021. باستخدام المنهجية الكمية. تعتمد الدراسة على بيانات ثانوية مصدرها موقع (Refinitiv)، والتي تشمل عينة شاملة من 215 شركة كانت نشطة ومسجلة خلال الإطار الزمني للبحث. حيث كان التركيز على المؤسسات غير المالية، مما يضمن تغطية البيانات الكاملة للمتغيرات ذات الصلة. ومن أجل تحليل العلاقات، تم اعتماد نهج الانحدار باستخدام نموذج GMM كأسلوب تقدير مختار. ظهرت النتيجة المجمع للمعايير البيئية والاجتماعية والحوكمة (ESG_CS) كمحرك إيجابي للربحية (ROA)، في حين أظهرت العوامل الاجتماعية (SOC) والبيئية (ENV) تأثيرات سلبية. لم يكن للحوكمة (GOV) علاقة تذكر مع العائد على الأصول، بما يتماشى مع نظرية أصحاب المصلحة. في حالة العائد على حقوق الملكية ('ROE')، كشفت النتائج التي توصلنا إليها أن العوامل البيئية والاجتماعية (ENV و SOC) مارست آثارًا ضارة.