

Impact Of Environmental Management Practices on Financial Performance in Sri Lankan Food and Beverage Industry

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Abstract

Purpose: To address a crucial gap in understanding the impact of Environmental Management Practices and financial performance in the Sri Lankan food and beverage industry, by focusing on Energy efficiency (EE), Material waste management (MWM) and Water waste management (WWM). The study aims to shed light on how sustainable practices impact the industry's financial outcomes.

Methodology: A quantitative research approach was carried out by using secondary data sources such as annual reports and the Colombo Stock Exchange (CSE) website from the period of 2013 – 2022. Financial performance was measured by using Return on Assets (ROA). The chosen sample of ten companies from the CSE provides a specific focus, ensuring in-depth analysis within the context of the local Food and Beverage Industry.

Findings: Panel data regression revealed that there is a significant and positive impact of MWM on ROA, highlighting that effective Material Waste Management practices significantly contribute to improved Financial Performance among the selected Sri Lankan Food and Beverage companies.

Originality: The study emphasizes the need for businesses to invest in sustainable technologies, energy-efficient equipment, and material waste reduction solutions to enhance both environmental sustainability and financial outcomes.

Keywords: Environmental management practices, Financial Performance, Food, and beverage industry