

Impact of Green Investment on Firm Performance: Evidence from Listed Manufacturing Firms in Sri Lanka

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The purpose of this study is to investigate the influence of green investment on the performance of manufacturing companies in Sri Lanka. This research is motivated by the recognition of the substantial environmental impact stemming from contemporary human activities, with manufacturing companies being significant contributors to environmental pollution through their production operations. Three facets of green investment have been identified within the context, encompassing investments in renewable technologies, targeted adoption of energy-efficient technologies, and investments directed towards recyclable and sustainable materials. The manufacturing companies in Sri Lanka are the population of the study. Manufacturing firms that are listed on the Colombo Stock Exchange have been taken as the sample of the study. The annual reports of selected manufacturing companies were referred to collect data on green investments and the performance of the companies. The data collected was subjected to analysis using the STATA software to ascertain the impact of the selected variables on firm performance. The study findings indicate that selected energy-efficient technologies and investments in renewable technologies have a discernible impact on firm performance. However, it was observed that investments in recyclable and sustainable materials do not exert a statistically significant influence on firm performance. Therefore, the results of this study imply to the practitioners that more investment in renewable technology and energy-efficient technologies enhances the performance of the firm.

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