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**Impact of Waste Management on Financial Performance with Reference to Listed Firms in Sri Lanka**

**Dulshan, K.U.G.H.<sup>1\*</sup>, Nayanajith, J.<sup>2</sup>**

<sup>1</sup>*Department of Accountancy, Faculty of Management and Finance, University of Ruhuna, Mathara, Sri Lanka*

<sup>2</sup>*Department of Geography, Faculty of Humanities and Social Sciences, University of Sri Jayewardenepura, Nugegoda, Sri Lanka*

*\*hirushadulshan112@gmail.com*

**Abstract**

The ultimate goals of this research study are to assess the relationship between firms' waste management practices and their financial performance. Further, this analysis provides a framework for evaluating the impact of waste management practices on the sustainability measure index of firms and analysis how these practices affect financial outcomes of the firms. The research is conducted in a deductive approach, utilizing correlation analysis and multivariate regression analysis to analyze the collected data. Sample consists of the 100 observations from selected sectors of firms listed on the Colombo Stock Exchange from 2019 to 2023. Correlation analysis shows a significant relationship between effective waste management practices and the financial performance in the selected companies. This study found that both economic and social initiatives related to waste management are significantly associated with return on assets (ROA) in the firms. Environmental initiatives are significantly associated with Tobin's Q, while other variables have no significant association with ROA or Tobin's Q. Regression analysis concludes that waste management practices significantly impact the financial performance of the firms in overall view. Specifically, with general waste management initiatives have some notable impact on return on equity (ROE) of the firms, while only environmental and social initiatives significantly have an impact with Tobin's Q. The findings of this research suggest that improved and well-organized waste management practices can improve the transparency and performance in Sri Lankan listed companies, that encouraging managers and owners and stakeholders to adopt comprehensive waste management reports in their annual reports. Effective waste management is essential for competing in a dynamic business environment nowadays. Future research can study qualitative measurements to further assess the impact and relationship between waste management practices and financial performance.

**Keywords:** *Waste management, Pollution control, Environmental initiatives, Socioeconomic initiatives, Sustainability index.*