

## **THE ENVIRONMENTAL AND FINANCIAL PERFORMANCES ON THE ENERGY SECTOR. CASE STUDY IN NORTH AMERICA**

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### **Abstract**

Nowadays, the population is becoming more and more environmentally conscious compared to previous years. Governments are under pressure to adopt sustainable legislation in light of the increased public acknowledgement of environmental issues, and consumers are urged to make purchases that have a lower environmental impact. Due to this phenomenon, the competition becomes significantly challenging. Companies must therefore adopt sustainable strategies in order to achieve sustainable growth. The research examines how environmental factors affect the financial success of the energy industry since the viability of the energy sector has drawn criticism. The objective of the current study aims to emphasize the relationship between non-financial sustainability, as determined by the environmental performance score, and the financial performance as represented by total revenues in the aforementioned sector. The dataset is obtained from Thomson Reuters Eikon and consists of 100 publicly traded companies in North America over a five-year period. It is processed using multiple linear regression and bivariate correlation techniques. The analysis findings indicate that the environmental score has a conflicting influence on the financial performance of the companies.

### **Keywords**

Environmental performance, financial performance, total revenue, energy industry

**JEL Classification:** G30, M14, Q50

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