



اَوْنِيُوْرَسِيْتِيْ تِيْكْنُوْلُوْجِيْ مَآرَا  
UNIVERSITI  
TEKNOLOGI  
MARA

**FACULTY OF BUSINESS AND MANAGEMENT  
BACHELOR OF BUSINESS ADMINISTRATION (HONS.)  
FINANCE**

**INDUSTRIAL TRAINING REPORT (MGT666)**

**THE IMPACT OF ESG PERFORMANCE ON FIRM  
PERFORMANCE  
(A CASE OF UTILITIES INDUSTRY)**

**PREPARED BY**

NIK ARIF RAHIMI BIN MOHAMAD FAIZAL

(2021885982)

RBA2426B

**PREPARED FOR**

PN. NOOR SHARIDA BINTI BADRI SHAH (ADVISOR)

MISS SHALIZA BINTI MUHD ZULKIFLI (EXAMINER)

## **EXECUTIVE SUMMARY**

The impact of environmental, social, and governance (ESG) performance on firm performance has become a major focus in today's business environment. This paper investigates the impact of ESG performance in the utility business, with a focus on understanding how sustainable practices and ethical governance affect financial outcomes and long-term viability. To accomplish the goals, a mixed-method approach was used, which included both quantitative and qualitative data. ESG ratings and financial data were obtained from reliable sources such as Eikon Database, Nasdaq, and business reports. To uncover relationships between ESG performance and financial metrics, statistical analysis, namely regression models, was applied. To acquire a better understanding, case studies of chosen utility companies with various ESG scores were investigated. ESG performance is an important factor of business performance in the utility industry. Companies that incorporate sustainable practices and ethical governance into their operations tend to outperform their competitors in terms of financial performance, investor attraction, and risk management. As stakeholders place a greater emphasis on sustainability, strong ESG practices are critical for long-term success. This internship provided significant insights into the junction of sustainability and financial performance, emphasizing the significance of ESG integration in utility corporations' strategic planning. The findings show that adhering to ESG principles can lead to improved financial outcomes and long-term viability, making it an important topic for future utility business strategy.

## **COMPANY PROFILE**



### **TNB RESEARCH**

<b>NAME</b>	TNB RESEARCH SDN BHD
<b>OFFICE ADDRESS</b>	NO.1, LORONG AYER ITAM, KAWASAN INSTITUSI PENYELIDIKAN, 43000 KAJANG, SELANGOR DARUL EHSAN
<b>WEBSITE</b>	<a href="https://www.tnbr.com.my/">https://www.tnbr.com.my/</a>
<b>EMAIL</b>	<a href="mailto:infoTNBR@tnb.com.my">infoTNBR@tnb.com.my</a>
<b>NUMBER</b>	+603 8922 5000
<b>OFFICE HOURS</b>	Monday – Friday 8.00 am – 5.15 pm
<b>MANAGING DIRECTOR</b>	Dr. Mohd Hariffin Boosroh

TNB Research Sdn. Bhd. (TNBR) is a subsidiary of Tenaga Nasional Berhad (TNB), Malaysia's largest electricity utility company. TNB is a government-linked corporation listed on the main board of Bursa Malaysia Securities Berhad. TNB is an important part of Malaysia's power sector, as it oversees energy generation, transmission, and distribution throughout the country.

TNB Research Sdn Bhd was founded to spearhead energy-related research and development projects. The company's primary goals are to advance technology, improve operational efficiency, and promote energy industry sustainability. The research conducted by TNBR covers a wide range of topics, including power generation, transmission, distribution, and renewable energy sources. As TNB's research subsidiary, TNBR works with government agencies, academic institutions, industrial partners, and international organizations to harness experience, resources, and financing for meaningful R&D projects. These alliances help to improve information exchange, expedite innovation, and address major energy sector concerns.

TNBR prioritizes renewable energy solutions, aligning with worldwide environmental efforts. The company works on projects involving solar, wind, hydro, biomass, and other sustainable energy sources. TNBR helps Malaysia shift to a greener, more sustainable energy landscape by promoting the uptake and integration of clean energy technologies.

TNB Research Sdn Bhd. also prioritizes technological innovation, creating advanced monitoring and control systems, smart grid technologies, energy storage solutions, and predictive maintenance tools. These technologies improve the efficiency, dependability, and resilience of power-generating, transmission, and distribution networks. TNB Research Sdn. Bhd. intends to establish itself as a major energy research and innovation hub, driving sustainable development and excellence in Malaysia's energy landscape. TNBR shapes the future of Malaysia's energy business and beyond by encouraging collaboration, innovation, and knowledge dissemination. (Vision)

## **Vision, Mission, Objective, Goal**

### **Vision:**

“To be a leading research and innovation hub in the energy sector, driving sustainable development and excellence in Malaysia's energy landscape.”

### **Mission:**

"To conduct cutting-edge research and development initiatives aimed at enhancing the efficiency, reliability, and sustainability of Malaysia's energy infrastructure. We strive to pioneer innovative solutions, foster collaboration, and drive technological advancements to meet the evolving needs of the energy industry."

### **- Objective**

- **Advance Research and Innovation:** Undertake pioneering research projects to develop innovative solutions that address current and future challenges in the energy sector.
- **Collaborate for Impact:** Foster strategic partnerships and collaborations with industry stakeholders, government agencies, academia, and international organizations to leverage expertise, resources, and funding for impactful initiatives.
- **Promote Renewable Energy Adoption:** Drive the adoption and integration of renewable energy sources into the national grid through research, development, and advocacy efforts.
- **Enhance Operational Efficiency:** Develop and implement advanced technologies and tools to optimize the efficiency, reliability, and resilience of energy generation, transmission, and distribution systems.
- **Disseminate Knowledge and Insights:** Share insights, findings, and best practices through publications, technical papers, conferences, and forums to contribute to the body of knowledge in the energy sector and foster continuous learning and improvement.