

**THE IMPACT OF ESG SUB-CATEGORIES ON RISK-ADJUSTED
RETURNS: MODERATING ROLE OF INDUSTRY TYPE IN KOREAN
STOCK MARKET**

THESIS

Submitted as One of the Requirements to Completing a Bachelor's Degree in the
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The Impact of ESG Sub-Categories on Risk-Adjusted Returns: Moderating Role of Industry Type in Korean Stock Market

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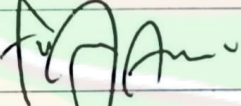
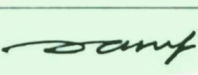
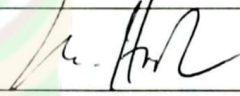
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ABSTRACT

This study investigates the impact of four ESG sub-categories on risk-adjusted return in Korean stock market, with industry type as a moderator. The research sample includes 39 companies listed on Korea Stock Exchange (KRX) during 2019 – 2023 period, requiring complete data for at least 3 most recent years from Thomson Reuters Eikon database. Panel regression analysis is used to examine the study hypotheses and achieve study aims using STATA 17 for Windows. This study shows that climate commitment has a negative insignificantly impact on risk-adjusted return. Health and safety training and employee with disabilities have positive insignificantly impact. Board gender diversity has negative significantly impact and there is no moderating role in relationship between ESG sub-categories and risk-adjusted return. While ESG investing works well in some countries, this research shows it has limited impact in South Korea. Specific board gender diversity may actually hurt returns due to Korea's unique business culture. Investors should look beyond ESG score when evaluating Korean stocks.

Keywords : ESG, ESG Sub-Categories, Risk-adjusted Return, Financial Performance, Korean Stock


This thesis is already examined and passed on June 11th, 2025. This abstract is already approved by supervisor and examiners:

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