



Appendix B - Statistical Results for Factor Error Variance Decomposition Analysis

```
fevd2(overall.PanelA.lag3)
##      esg      tq
## [1,] 0.95595304 0.04404696
## [2,] 0.91644213 0.08355787
## [3,] 0.06957767 0.93042233
## [4,] 0.07340061 0.92659939
```

Independent Variable	Years Ahead	ESG	TQ
ESG	5	0.956	0.044
	10	0.916	0.084
TQ	5	0.070	0.930
	10	0.073	0.927

```
fevd2(overall.PanelB.lag3)
##      esg      roe
## [1,] 0.98988801 0.01011199
## [2,] 0.98880939 0.01119061
## [3,] 0.04791604 0.95208396
## [4,] 0.04829678 0.95170322
```

Independent Variable	Years Ahead	ESG	ROE
ESG	5	0.990	0.010
	10	0.989	0.011
ROE	5	0.048	0.952
	10	0.048	0.952



fevd2(separate.PanelA.lag3)

```
##           e           s           g           tq
## [1,] 0.962137514 0.017937287 0.001477852 0.018447347
## [2,] 0.953211636 0.018425304 0.001966357 0.026396703
## [3,] 0.089140087 0.844867364 0.025916172 0.040076378
## [4,] 0.091622284 0.841486534 0.026566999 0.040324183
## [5,] 0.015680690 0.064532521 0.918505561 0.001281229
## [6,] 0.016772144 0.064506692 0.917164388 0.001556775
## [7,] 0.006552333 0.006241207 0.069919927 0.917286533
## [8,] 0.006778482 0.006259260 0.070243388 0.916718869
```

Independent Variable	Years Ahead	E-score	S-score	G-score	TQ
E-score	5	0.962	0.018	0.001	0.018
	10	0.953	0.018	0.002	0.026
S-score	5	0.089	0.845	0.026	0.040
	10	0.092	0.841	0.027	0.040
G-score	5	0.016	0.065	0.919	0.001
	10	0.017	0.065	0.917	0.002
TQ	5	0.007	0.006	0.070	0.917
	10	0.007	0.006	0.070	0.917



fevd2(separate.PanelB.lag3)

```
##           e           s           g           roe
## [1,] 0.917161228 0.05866571 0.02053873 0.003634338
## [2,] 0.912663759 0.06291592 0.02065447 0.003765849
## [3,] 0.149658910 0.80795769 0.02923658 0.013146815
## [4,] 0.155909088 0.80156736 0.02918831 0.013335238
## [5,] 0.044399927 0.14242319 0.80380325 0.009373636
## [6,] 0.047738332 0.14351939 0.79847801 0.010264267
## [7,] 0.002405337 0.06182185 0.04437481 0.891398008
## [8,] 0.002850691 0.06189947 0.04516923 0.890080607
```

Independent Variable	Years Ahead	E-score	S-score	G-score	ROE
E-score	5	0.917	0.059	0.021	0.004
	10	0.913	0.063	0.021	0.004
S-score	5	0.150	0.808	0.029	0.013
	10	0.156	0.802	0.029	0.013
G-score	5	0.044	0.142	0.804	0.009
	10	0.048	0.144	0.798	0.010
ROE	5	0.002	0.062	0.044	0.891
	10	0.003	0.062	0.045	0.890