

## **Nexus of Firm Characteristics and Sustainability Reporting Disclosures**

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### **Abstract**

A sustainability report is a report published by an enterprise about the economic, environmental and social impacts caused by its everyday activities. This study investigates the relationship between sustainability reporting (SR) and firm characteristics with relevant to the listed companies in Sri Lanka. Organizations think that business must concern the environment and society, which they operate without thinking only about the profit of the business. However, sustainability reporting is not a mandatory requirement, which every organization should follow, and it is considered as an ethical thing. Therefore, the research problem of the study is to investigate the relationship between firm characteristics and sustainability reporting disclosures.

This study is identified as a quantitative study which draws on secondary data from 50 companies listed at the Colombo Stock exchange, Sri Lanka. The data collected for 5 years from 2016 to 2020. SR is measured by using a SR disclosure index. Company size (CS), industry type (IT), board size (BS), profitability (PR), leverage (LV), audit committee size (AC), liquidity (LQ) and dividend yield (DY) are taken as the firm characteristics. Multiple regression method is used for the data analysis. The results reveal that AC and LV have positive relationship with sustainability reporting disclosures while CS, IT, BS, PR, LQ and DY have no significant relationship. This research contributes to the existing literature by analysing the relationship between firm characteristics and the sustainability reporting disclosures and findings of this study will important to practising companies and regulating authorities.

**Key words:** *Colombo Stock Exchange, Global Reporting Initiative (GRI), Firm Characteristics, Sustainability Reporting Disclosure (SR), Sri Lanka*