

Sustainability Reporting Practices on Financial Performance in Listed Companies in Sri Lanka

Priyadarshana, W.M.K.L.¹ and Perera, W.T.N.M.²

¹keerthilakmal2000@gmail.com; ²navini@kln.ac.lk

Abstract

Today, sustainability is a critical issue for the business world. Investors' interest in socially responsible investment has grown rapidly in recent years. As a result, sustainability has the potential to impact company performance. This study investigated the impact of Sustainability Reporting Practices on Financial Performance in Sri Lankan listed companies. Data was gathered from annual reports of CSE-listed companies in five industries: manufacturing, plantations, beverage and tobacco, construction and engineering, and power and energy. The samples covered 6 years from 2016 to 2022. The Annual Reports and Accounts of these companies were taken from the CSE website. Other secondary data and information were collected from textbooks, journals, the internet, etc. Statistical analysis revealed that compliance with Sustainability Reporting would have a significant impact on the Organization's Financial Performance. These findings imply that enterprises in Sri Lanka, and presumably other locations, stand to benefit from implementing and improving Sustainability Reporting Practices. This increases openness and accountability and places the firm in a business landscape where sustainable practices are gaining popularity. The paper's recommendation for the implementation of sustainability reporting practices serves as a strategic guideline for businesses seeking to align their operations with the growing demand for responsible and sustainable business practices, fostering both financial success and positive societal impact. As a result, the paper recommends that Sustainability Reporting Practices be established to provide a foundation for improving the firm's performance.

Keywords: Sustainability Reporting, Financial Performance, Return on Equity, GRI Index, Sustainability