The Impact of Corporate Governance on Sustainability Reporting

Tharanga, D.M.[1] and Gunasekaera, U.L.T.P.[2]

[1]maheshitharanga2021@gmail.com; [2]thamarag@kln.ac.lk

Abstract

This study investigates the impact of corporate governance (CG) on sustainability reporting (SR): In Manufacturing Companies Listed on the Colombo Stocks Exchange (CSE). In this study corporate governance was measured in terms of Board Independence (BI), Board Size (BS), Dual Leadership (DL), Female Directorship (FD), and availability of CSR committee. The level of sustainability reporting was assessed in terms of Global Reporting Initiatives (GRI) G4 guidelines. The importance of this study is that no such study has been conducted in Sri Lanka before and conducting such a study at a time when there is more interest in the non-financial sector is also useful for those seeking knowledge. The hypotheses were tested using statistical procedures such as correlation, descriptive analysis of variance, and regression analysis. This study limited on 20 Manufacturing companies in Sri Lanka CSE in the years of 2013 to 2022. This study used company's annual reports to collect related data. Through a regression analysis it was identified that there is significant positive impact of BI and BS with SR, also that there is no significant impact of DL, FD and CSR committee with SR of manufacturing companies in Sri Lanka years from 2013 to 2022. This study adds to the existing literature by investigating the impact between CG and SR Disclosures: A study of Manufacturing Companies Listed on CSE. From both a theoretical and practical standpoint, this investigation is crucial to all parties involved. Because accountability is extended to a wider range of stakeholders rather than just capital suppliers, the notion of sustainability reporting expands a company's economic performance to include social and environmental performance.

Keywords: Corporate Governance, Sustainability Reporting, GRI Guidelines