

## **Corporate Social Responsibility and Financial Performance of Listed Food and Beverage Tobacco Companies in Sri Lanka**

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### **Abstract**

CSR has become a greater important area of research among researches in the financial area in recent years. Most of entities perform CSR activities for its stakeholders than shareholders. This has led to the emergence of new dimension in financial reporting known as social responsibility reporting. It is not mandatory in Sri Lanka as in many other countries. Hence CSR disclosures are provided in the voluntary disclosures (Abeyasinghe & Basnayake, 2013). This study was carried out to identify the level of CSR disclosure and its relationship with financial performance in listed Food and beverages tobacco sector companies in Sri Lanka.

Study consisted 15 food and beverages tobacco sector companies as the sample. The study was carried out using secondary data. Data were obtained by using annual reports of the selected companies over the last ten years starting from 2008 to 2017. The financial performance of the companies was measure by using ROE. CSR disclosure was measured by using Global Reporting Initiatives (GRI G4 guidelines).

The results revealed that the level of CSR disclosure in food and beverages tobacco sector companies in Sri Lanka was at moderate level. The level of CSR disclosure for last ten years was positive and with incremental trend. CSR subcategories (Social, Environment) also had positive incremental trend except economic categories. Finally study showed that level of corporate social responsibility disclosure was, significantly related with corporate financial performance in food and beverages tobacco sector companies in Sri Lanka. Also level of disclosure of CSR subs categories (social, environmental & economic) and financial performance has a positive relationship with each other.

**Key Words:** Corporate Social Responsibility, Global Reporting Initiatives, financial performance