

## **Impact of Sustainability Reporting on Financial Performances in Sri Lankan Banking Sector**

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### **Abstract**

Accounting is the method of performing accountability of organization to its stakeholders. A significant concern on environmental impact from organizations with the attention on sustainability reporting to disclose their accountability to society using non-financial data. Since Sustainability reporting is a voluntary action, there is a sensible gap between expected state of sustainability reporting and actual sustainability reporting. Therefore, through this study focus to analyze this discussion and mainly study about impact from sustainability on financial performances. The main objective of the study is to find out the relationship between the state of sustainability reporting and financial performances. Data was collected from annual reports of 13 selected banks for 10 years (2019-2010) and data collected from GRI (Global Reporting Initiatives) indices used in annual reports of each bank. Furthermore, economic disclosures, environmental disclosures and social disclosures was used as independent variables and Return on Assets (ROA) was used as the dependent variable of the research. The state of sustainability reporting for each year of each bank was measured by scoring the disclosures made by each bank for each year according to GRI guidelines.

This Study will help to contribute for the prevailing literature through analyzing those relationship and will support to establish a better opinion for the sustainability reporting in Sri Lankan context for the interested parties who are seeking to study or to be adopted on sustainability reporting.

**Keywords:** Sustainability Reporting, Global Reporting Initiatives (GRI), Return on Assets (ROA), Accountability, Stakeholders