

Sustainable Development Goal Reporting: Effect of Institutional and Corporate Governance Factors

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Abstract

Introduction: Businesses in today's context are expected to disclose more on the sustainable development goal reporting within their organization. Although there is an increasing trend in the sustainability reporting disclosure in Sri Lanka, this corporate reporting varies in content and quality, and there is a challenge in incorporating SDG goals in the process of sustainability reporting. The main objective of this study is to examine the extent to external institutional factor influence on content and quality of corporate SDG disclosure and examine the extent of corporate governance factors influence on the content and quality of corporate SDG disclosure.

Methodology: Three dependent variables, SDG Acknowledgement, SDG Prioritization and SDG Extent are used while GRI Compliance, Sustainability Assurance CEO Duality and CSR committee are the independent variables. Data of the top 50 listed companies of CSE as at 2023 August are collected for a period from 2021 to 2022. Regression analysis is employed using SPSS to achieve the objective.

Findings: According to the results, GRI Compliance, Sustainability Assurance and CSR committee have a significant positive impact on SDG Acknowledgement while the impact of CEO Duality is insignificant. The same results are obtained from the regression model results developed for the SDG Extent. Further, only GRI Compliance and CSR committee have a positive significant on SDG Prioritization while other variables' impact is insignificant.

Conclusion: According to the study SDG reporting practices are developing trends by external institutional factors and corporate governance factors. The study concludes there is a need for more accurate SDG reporting frameworks that support companies to match their business functions and strategies with SDGs.

KEYWORDS: Sustainable development goals, External institutional factors, Corporate governance factors, Sri Lankan listed companies, SDG reporting.