

Impact of Environmental Reporting on Corporate Financial Profitability of Public Listed Companies in Sri Lanka

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Abstract

Companies disclose information about their environmental performance in response to stakeholder demands of environmental responsibility and accountability. Environmental reporting therefore provides useful information to stakeholders for their decision making. This study investigates the impact of environmental reporting on corporate financial profitability of public listed companies in Sri Lanka. A little research has been available on this area and this study will attempt to fill this existing gap in the literature. This study uses energy and water related disclosers, Biodiversity, Emission, Effluent and waste related and other factors as independent variables and Return on assets as dependent variable. Data will be collected from annual reports published from the Colombo stock exchange as secondary data for the period from 2015 to 2019. This study selected 52 public listed companies using highest market capitalization out of 298 companies registered in the Colombo stock exchange. This study will use a panel regression model to estimate model. The findings of the study will provide useful evidences for stakeholders in order to make decisions. Further, the results will be of interest to investors, customers, employees, regulator bodies such as government, central environment authority.

Keywords: Environmental Reporting, Financial Profitability, Return on Assets, Firm Size Colombo Stock Exchange