

The Impact of Sustainability Reporting Practices on Company Performance in Listed Companies in Sri Lanka

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Abstract

Sustainability becomes a very crucial issue for corporate world today. The interest of investors in socially responsible investment has rapidly grown over past years. Thus, sustainability has potential to influence company performance. This study aims to identify the impact of Sustainability Reporting Practices on Financial Performance in listed companies in Sri Lanka. Further it examined relationship between Return on Equity (ROE) and Sustainability Reporting Practices. This research has selected the 5 industrial sectors Food, Beverage & Tobacco, Energy, and Material. Consumer Services and Banks as the population. Samples were selected 50% of total number of companies from above sectors based on at Colombo Stock Exchange (CSE) by using random sample method. This study covers five financial years which is from 2016 to 2020. All the data for this research is taken from secondary data sources. In this research consider about the four independent variables using GRI Index. Return on equity and return on Investment select as dependent variable of this study. The data is further analyzed using descriptive statistics which describes the mode, median and standard deviation. Correlation coefficient analysis, Regression analysis, ANOVA and R Square techniques used for this study use investigate the effects of sustainability reporting for the financial performance.

Key words: *Financial Performance, Net Profit Margin, Return on Equity, Return on Capital Employed, Sustainability Reporting.*