

THE RELATIONSHIP BETWEEN SPECIFIC BUSINESS CHARACTERISTICS AND THE DISCLOSURE OF SUSTAINABILITY REPORTING. EVIDENCE FROM: LISTED FOOD, BEVERAGE, AND TOBACCO COMPANIES IN SRI LANKA.

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Abstract

In today's dynamic and challenging business environment, most of the business organizations do not provide full information on companies' overall performance as demanded by various parties. Most stakeholders are currently interested in sustainability development. Business stakeholders now demand better knowledge about how environmental, social, and economic impacts are applied into the business strategies and decisions, while also requiring compliance in reporting on daily operations. Organizations that want to be transparent about their economic, environmental, and social activities, on the other hand, can empower stakeholders, promote effective relations with other markets, and make better investment decisions. As a result, the Global Reporting Initiative (GRI) is producing a credible, reliable and sustainable reporting framework for all types of organization. This study primarily investigates the relationship between specific business characteristics and the disclosure of sustainability reporting of the listed food, beverage and tobacco companies in Sri Lanka. Business characteristics refer the financial and operational activities of a firm, that can influence stakeholders' decisions. This study mainly focused about four specific business characteristics. They are financial leverage, firm's current value, firm growth and Fixed assets staleness. Even though adopting sustainability reporting is not a mandatory requirement in Sri Lanka, most of the companies voluntarily adopt sustainability reporting framework to present and disclose environment, social and economic impacts. Nevertheless, there is a research gap based on this in the Sri Lankan context. This research will use the stock price per share (VALUE), firm debt ratio (LEV), firm growth (Grow), fixed assets staleness (AGE) to measure the business characteristics. The population of the research included all the listed food, beverage, and tobacco companies and out of that population 25 companies have been selected as the sample for this study. Data will be collected from the annual reports for the period from 2017 to 2021. The study applied, descriptive statistics which describe the mode, median and standard deviation, Correlation coefficient analysis, Regression analysis, ANOVA and R Square techniques to analyze the data. According to the findings, the study will offer a better understanding of the relationship between firm specific business characteristics and the sustainability reporting disclosure, and it will be helpful for different stakeholders, such as present and potential investors, government authorities and practitioners.

Keywords: *Sustainability Reporting Framework, Leverage, Specific business characteristic, GRI, Firm debt ratio, Fixed assets Staleness, Firm growth*