

The Impact of Sustainability Reporting on Company Financial Performance in Different Industry Sectors – Evidence Form Listed Companies in Sri Lanka

Jayasinghe, S.H.¹ and Munasinghe, M.A.T.K.²

^{1,2}*Department of Accountancy, University of Kelaniya*

¹*sasiniharshila@gmail.com*, ²*amila@kln.ac.lk*

Abstract

Sustainability reporting has become a trend in recent years. Sustainability report reveals non-financial information on three elements which are Environmental performance, Economic performance, and Social performance. This research study attempts to examine the relationship between sustainability reporting and company financial performance.

The research study consists of 40 companies listed in 08 different industries in Colombo stock exchange during the period of year 2015 to 2020. The independent variables are environmental performance disclosures, economic performance disclosures, and social performance disclosures. These variables are measured by means of sustainability disclosure index. Sustainability Reporting Guidelines from Global Reporting Initiative (GRI G4 Guidelines) is used as the basis of calculating the Index Score. The dependent variables are Return on Asset (ROA), Return on Equity (ROE), and Earning per share as a measure of performance. To conduct this study secondary evidence method will be used to collect necessary data. Company annual reports and sustainability reports are used as secondary evidences. Uses regression analysis and statistical package **E views** to analyze the data. And also, to measure the check list, will use One-Zero method.

Key words: *Sustainability Reporting, ROA, ROE, Earning per Share, Global Reporting Initiative (GRI)*