

The Disclosures of Sustainable Development Goals: A Study on Top 50 Listed Companies in Sri Lanka

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Abstract

Introduction: The adaptation of Sustainable Development Goals (SDGs) by the United Nations has become the key focus of most nations, organizations, and researchers. This study aims to evaluate and analyze the disclosures pertaining to 17 SDGs within the Sri Lankan context.

Methodology: The study adopts survey methods and content analysis techniques to analyze the corporate discourses of SDGs. 50 top companies listed in CSE were used as the sample based on the market capitalization. The design of the research consists of two main steps. Firstly, content analysis is used to capture the disclosures of SDGs by referring to PWC framework, Global Reporting Initiative (GRI) framework and International integrated Reporting Council (IIRC) framework. The content analysis covered three periods from 2018 to 2020.

Secondly, a survey method is conducted through a semi-structured questionnaire with one open-ended question to take the opinion and the future perspective of the auditors and the employees of those 50 firms covering executive level or above in the finance division

Findings: The study found that there is a lack of disclosure of SDGs in the Sri Lankan Context; for example, only 40% of the total companies are disclosing SDGs in their annual reports during the period of 2018 to 2020. The reason is Sri Lankan Firms are in the initial stage of SDG disclosure compared to the European and Global Companies, and there is a lack of knowledge on SDGs in Sri Lankan companies. Further, companies follow some basic measurement approaches, such as GRI in Sri Lanka. The CEOs and Managers of the organizations are likely to adopt these SDGs to increase the value of the organizations. Finally, the auditors are of the opinion that there is a lot more to come in the future with regard to SDGs, and they are also of the opinion that there should be a separate department in an organization.

Conclusion: There are many factors that affect SDG disclosure of an organization, such as lack of knowledge and availability of non-financial guidelines, which are alternatives to the SDGs. Thus, this study calls for the importance of adopting and disclosing the SDGs as they add value to organizations and highlights the need for management commitment and attention to these disclosures.

Keywords: Sustainable Development Goals, GRI Framework, IIRC Framework, PWC Framework