

A STUDY ON DETERMINANTS OF SOCIAL AND ENVIRONMENTAL
DISCLOSURE IN SRI LANKAN COMPANIES



SUJENTHINI SIVANANTHARAJAH

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DEPARTMENT OF COMMERCE
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA

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ABSTRACT

Objectives of the study are to identify the extent of social and environmental disclosures of Sri Lankan public listed companies, identify the determinants of social and environmental disclosure and to examine significance differences among the listed companies regarding the level of quality of social and environmental disclosures. By reviewing 286 companies annual reports published in recent year, Out of them, 35% of companies are selected by using proportionate stratified random sampling according to business sector as a sample to carry out the study. Descriptive statistics, Bivariate analysis, multivariate analysis and Kruskal Wallis tests were used to analysis the study. Results of the study show that companies disclose low level social and environmental information. Result of the correlation indicates that Firm Age negatively correlated with social and environmental disclosure. While Firm Size, profit and leverage are weak positively related with social and environmental disclosure. Further regression analysis reveal that Firm Age negatively associate with social and environmental disclosure meantime Firm Size, and Leverage are positively associate with social and environmental disclosure. Hence diversified companies disclose more social and environmental information and next bank, finance and insurance companies disclose. Further, it is noted that diversified and bank, finance and insurance companies significantly differ from manufacturing and beverage food and tobacco companies regarding quality of social and environmental disclosures. The findings from this research could provide relevant insights to the Sri Lankan listed companies.

Key words: Social and Environmental Disclosure, Global Reporting Initiative, Corporate Characteristics, Sri Lankan listed companies

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