

**DRIVERS OF ENVIRONMENTAL DISCLOSURES IN SRI
LANKA**

By

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A Project Report

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ABSTRACT

This study examines the Drivers of Environmental Disclosures in Sri Lanka. The study further examines the relationship between some specific attributes of the companies and the level of Environmental Disclosures.

For this purposes, a sample of 100 companies listed in Colombo Stock Exchange (CSE) were selected. The level of Environmental Disclosure by each company is measured using Environmental Disclosure Index (EDI). EDI consists of 20 items of disclosure categories. Further, content analysis is used to analyze the level of Environmental Disclosure. The greatest score of 2 is awarded if the item related to Environmental Disclosure Index is disclosed quantitatively and specifically. A score of 1 is assigned to non-quantitative/qualitative information and if firms are not disclosed score of 0 is given. The relationship between companies-specific attributes and level of Environmental Disclosure is examined using Multiple Regression Model.

The calculated Environmental Disclosure Index (EDI) reveals that the level of Environmental Disclosure by Sri Lankan listed companies is at a low level. Further, the regression results show that the level of Environmental Disclosure is significantly related with Government power (GP) and Strategic posture (ISO14001 certification). It is also found that the Shareholder Power (SP), Government Power (GP), Return on Assets (ROA), Size and age are not significantly related with the level of Environmental Disclosure.

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