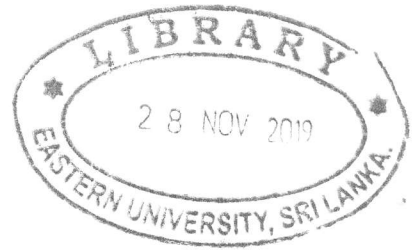


**IMPACT OF ENVIRONMENTAL DISCLOSURE ON
PROFITABILITY OF MANUFACTURING COMPANIES IN
SRI LANKA**

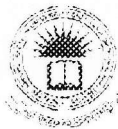


By

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EU/IS/2013/COM/87

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submitted to the Faculty of Commerce and Management, Eastern University, Sri Lanka as a partial fulfilment of the Degree of Bachelor of Commerce (B.Com) specialization in accounting and finance

**Department of Commerce
Faculty of Commerce and Management
Eastern university, Sri Lanka**

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ABSTRACT

In the past two decades, the relations among environmental accountings information and company performances have pulled in critical research consideration. The objective of this study is to find out significance influence of environmental disclosure on profitability, and to examine the impact of environmental disclosure on the profitability of manufacturing firms in Sri Lanka. The study used secondary data in a way of filling disclosure checklist and reviewing financial statements collected from 19 companies covering the period from 2014 to 2018. The various components for measuring the environmental disclosure included pollution abatement, Sustainability reporting, Environmental Management Accounting, Environmental Awards, Stakeholders Engagement and Environmental Expenditure and also financial performance included return on assets. Descriptive Statistics, Pearson's Correlation and multiple regressions are used for analyzing this research. All these tests are used so as to correlate the theories contributed by the literature by several authors with the statistical results.

The results depict that, there is a moderate level of environmental disclosure, with a weak positive relationship between the environmental disclosure and the Profitability of the Manufacturing firms in Sri Lanka. This indicates that, if the environmental disclosure practices increases, it would tend to increase the financial performance of the company.

Finally, the results confirm the framework and models tested in the study on more recent data.

Key words: Environmental Disclosure, pollution abatement, Sustainability reporting, Environmental Management Accounting, Environmental Awards, Stakeholders Engagement, Environmental Expenditure, Profitability, Manufacturing Firms.

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