

Corporate Sustainability Reporting: a Review of Literature

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The Sustainable Development Goals (SDGs) comprising 169 targets for 17 global goals have been developed to meet urgent environmental, social, and economic challenges faced by all nations. This study is based on target 6 of the SDG Goal 12: “encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle”. Sustainability reporting has become an important topic among business communities as a means of communicating their sustainability performance on achieving global SDGs. The purpose of this paper is to contribute to the discourse on corporate sustainability reporting practices by reviewing existing literature. This paper provides a review of more than 40 articles extracted from online databases such as Emerald Insights, Science Direct and Google Scholar, from 2005 to 2019 and are presented in academic journals related to various disciplines such as Accounting, Environmental Science and Economics. Based on previous literature, firm size, financial performance, environmental and social performance, ownership structure, corporate visibility, sector affiliation and legal requirements are considered to be determinants of sustainability reporting (SR) by firms. Firms that are pressurized by environmental authorities and consumers have higher quality of sustainability reporting than other firms. Although firms as a whole strive to achieve sustainability, it was revealed that mostly the senior management has a positive attitude towards SR than the lower-level management. Firm’s growth indicators have been moderately affected by SR practices and some studies have concluded that it has a lower capacity of integration within the decision-making process. However, in the Sri Lankan context, it was revealed that firms have a lower level of compliance with Global Reporting Initiative (GRI) guidelines as a standard sustainability reporting framework. Further, literature reveal that firms are more concerned on the social indicators than environmental indicators. This study concludes that policy makers should encourage firms to comply with global environmental standards and guidelines.

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