

IMPACT OF BOARD CHARACTERISTICS ON CORPORATE SUSTAINABILITY REPORTING: EVIDENCE FROM SRI LANKA

Miyuru, M.H.A.* and Dewasiri, N.J.

*Department of Accountancy and Finance, Faculty of Management Studies,
Sabaragamuwa University of Sri Lanka, Sri Lanka.*

*[*miyuruasanka1997@gmail.com](mailto:miyuruasanka1997@gmail.com)*

1. Introduction

Corporate sustainability reporting (CSR) has gained increasing significance recently as businesses face growing pressure to address environmental, social, and governance (ESG) issues. The role of corporate boards in shaping sustainability reporting practices is of particular interest, as board composition and characteristics can influence a company's commitment to sustainability and its transparency in reporting. This study investigates the impact of board characteristics on corporate sustainability reporting in Sri Lanka.

2. Research Methodology

By investigating the interplay between board characteristics and CSR reporting practices within a sample of 137 Sri Lankan companies, this research used a quantitative correlational study as its research design. Accordingly, published secondary data obtained from the financial statements between 2014 and 2022 were used for the analysis. The Random Effect Model is the analytical tool based on the Hausman test results.

3. Findings and Discussion

The findings of this study may reveal that specific board characteristics such as board size, board independence, chief executive officer (CEO) duality, board meetings, and board committees positively impact CSR reporting, shedding light on strategies for companies to enhance their sustainability efforts.

4. Conclusion and Implications

The findings indicate that larger boards tend to achieve higher sustainability ratings. The association between board independence and sustainability is more complex. Financial performance, particularly market value and net income plays a role, necessitating further investigation. The findings comprehensively understand how corporate governance, financial performance, and sustainability are interconnected while laying the foundation for decision-making in organizations committed to sustainability.

Keywords: Board Characteristics, Board Size, Board Independence, CEO Duality, Corporate Sustainability Reporting.