CHAPTER 6
SUMMARY AND CONCLUSION

6.1 INTRODUCTION

Corporate reporting is a tool through which companies narrate the integrated financial and non financial corporate performance and disseminate this information to various stakeholders. Earlier focus of corporate reporting was limited to the compliance of various statutes concentrating primarily on economic parameters only, but now it is extended to environmental and social performance as well. This realization has put the companies on the path of sustainability reporting. Sustainability is primarily a global concept originally coined and used in forestry where it means to never harvest more than what the forest gives in new growth. The German term for sustainability is Nachhaltigkeit first used with this meaning in 1713 (Kuhlman and Farrington, 2010). However, the principal inspiration about this concept originated from the Brundtland Report of 1987. Brundtland Commission in its report ‘Our Common Future’ (1987) significantly recognized the term sustainability. This report defines ‘sustainability’ as “the development which meets the needs of the present without compromising the ability of future generations to meet their needs”. It refers to the practice of measuring, disclosing and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development (Global Reporting Initiative, 2006). Sustainability reporting can be regarded as a new trend in corporate reporting which integrates financial, environmental and social performance of the company into one report (Zwetsloot and Marrewizk, 2004; Quick, 2008; KPMG, 2008b; Krajnc and Glavic, 2005).

Sustainability reporting is becoming an integral part of reporting practices. It is demanded and expected by investors, customers, employees, government and other stakeholders (Keeble et al., 2003). It is a means to improve efficiency, accountability and effectiveness (INTOSAI Working Group on Environmental Auditing, 2013). Sustainability reporting generates many benefits for companies. First, it enhances
transparency which makes corporation appear as ethical and legitimate (SIRAN et al., 2008; Erlandsson and Olinder, 2009). Secondly, it improves stakeholders’ relations and builds positive image among customers, state authorities, journalists and investors (Morsing and Schultz, 2006). Thirdly, companies with better sustainability disclosures get better credit ratings which contribute to their financial success and help them in attracting long term capital (KPMG, 2008b; SIRAN et al., 2008). Fourthly, it generates a favourable investment climate and attracts foreign investment as it is of vital interest at the global level (Azim et al., 2011). Fifthly, the information provided in sustainability report can serve as a key component of financial analysis because current financial disclosure requirements do not present a clear picture of all the liabilities, risks, or benefits related with corporate activities (SIRAN et al., 2008). Sixthly, this additional reported information supports sound decision making and is essential for earning and keeping the social license to operate (Shields and Solar, 2007). Seventhly, it helps to acquire national and international listings and provide access to otherwise restricted markets. Many stock exchanges have made sustainability reporting a mandatory condition for being listed. For example, Securities and Exchange Board of India (SEBI) issued a circular which requires that top 100 listed companies (based on market capitalization in BSE and NSE as on 31st March 2012) have to submit Business Responsibility Report as part of their Annual Report, with effect from financial year ending on/after 31st December 2012. Eighthly, it establishes competitive positioning and market differentiation i.e. helps companies in differentiating their brand, products and/or services. Moreover, sustainability reporting strengthens risk awareness & management and improves regulatory compliance through the establishment of appropriate reporting systems and processes (KPMG, 2008b). Lastly, sustainability reporting helps in attracting institutional investors and reduces the cost of equity (Dhaliwal et al., 2011). All these benefits lead to higher profits (Dilling, 2010); thereby increasing revenue and share prices (Khavheh et al., 2012) and enhance firm’s market efficiency (Karagiorgos, 2010). Despite these benefits, it seems that some companies are still reluctant to adopt this practice as it involves added responsibilities and challenges for companies.
The issues relating to sustainability are emerging in different parts of the world, though in parts and fragments only. It seems that national governments all over the world have been adopting various laws and regulations that make sustainability reporting popular among companies. Different governments and different regions or companies also have different drivers or priorities for sustainability reporting. Also, the government and regulatory bodies in various countries are changing their role from an enabler to an enforcer of corporate sustainability reporting. Sustainability reporting is an emerging issue in both developed and developing countries. Out of the various frameworks GRI can be regarded as a leader in the worldwide dissemination and standardization of sustainability reporting practices. It has been serving as a provider of a comprehensive Sustainability Reporting Framework, since 1999, and is being widely used in the whole world. Its mission is to elevate sustainability reporting practices to a level equivalent to that of financial reporting, in rigor, comparability, availability and general acceptance. Rather, the movement towards consistent sustainability reporting standards was begun by GRI guidelines. The first version of GRI guidelines were given in June 2000, the second generation guidelines (G2) were issued in 2002 and the latest guidelines, called G3 or ‘Third Generation’ of reporting guidelines, were provided in October 2006. In this study G3 guidelines are used and focus is on performance indicators that come under standard disclosures. These performance indicators are an integral part of the ‘standard disclosures’ as they form the basis to communicate quantitative and qualitative information on economic, environmental, and social performance categories.

Sustainability reporting as an area of interest to the researchers has gained relevance in the last decade only and henceforth its research potential has increased. The availability of literature on sustainability reporting is still scarce. Review of literature shows that the studies on sustainability reporting have been conducted in different developed countries, for example, UK (Krajnc and Glavic, 2005; Turner et al., 2006), Switzerland (Daub, 2007), Portugal (Roberts and Koeplin, 2007), Germany (Quick, 2008), Australia (Guthrie and Farneti, 2008; Elijido-Ten 2011), Europe (Steurer and Konrad, 2009), Sweden (Erlandsson and Olinder, 2009). While the case is not the same with respect to sustainability reporting in developing countries as only
three studies are available namely SIRAN et al., 2008 (Brazil, China, India, Russia, South Africa, South Korea and Taiwan); Huang and Wang, 2010 (China) and Preuss and Barkemeyer, 2011 (Russia and other countries). Further, there is extensive literature on financial, voluntary and CSR reporting that covers impact of corporate attributes. Still there is dearth of literature related to impact of corporate attributes regarding sustainability reporting. A few studies have been carried out to analyze the determinants of sustainability reporting (Jennifer and Taylor, 2007; Kent and Monem, 2008; Quick, 2008; Hoorik, 2009; Shum et al., 2009, Artiach et al., 2010; Dilling, 2010; Yu, 2010; Eljjido-Ten, 2011; Li et al., 2011; Michelon, 2011; Birt, 2012; Faisal et al., 2012; Ghosh, 2013; Branco et al., 2014). These studies have catered to limited attributes only.

Therefore, from the preceding arguments and the role played by the sustainability reporting practices in betterment of society and environment, it is to be emphasized that sustenance is the need of the hour. Because of the fast depletion of priceless resources, the mounting scarcity of resources is bound to affect the future generations. Therefore, sustenance is extremely essential to safeguard the future of mankind. Keeping into consideration these facts, it becomes imperative to study and compare this emerging practice with respect to companies in developing and developed nations. These research gaps need to be plugged. Hence, a humble effort has been made to undertake the current study.

6.2 OBJECTIVES OF THE STUDY

The study proposes to analyze and compare the sustainability reporting practices of companies in two developed nations and four developing and emerging economies of the world. The following are the specific objectives of this proposed study:

1. To investigate and compare the sustainability reporting practices of companies in developing nations (BRIC) with those in the developed economies (UK and US) as per GRI framework.

2. To study the impact of corporate attributes such as size of a company, profitability, growth, leverage, listing category, age, nationality, board size, board independence, advertising intensity and nature of industry on the extent of sustainability reporting by selected companies in India.
6.3 UNIVERSE AND SAMPLE OF THE STUDY

The universe of study comprises of the largest companies from developing (BRIC nations) and developed\(^1\) (US & UK) countries taken from their respective indices i.e. BOVESPA index, 50 companies (Brazil); RTS index, 50 companies (Russia); SENSEX, 30 companies (India); SSE 50, 50 companies (China); FTSE 100, 100 companies (UK) and NASDAQ 100, 100 companies & Amex major market index, 20 companies (US).

They are representative of the various sectors forming the whole economy. The following filters are applied to select the sample:

- The companies whose sustainability reports are not available for the years 2006-2007 to 2010-2011 are not considered.
- The companies whose sustainability reports are only in their native language (not in English) are eliminated because English is considered as the language of international business. Using a common language for analysis eliminates the translation bias (Alon et al., 2010).

As a result of these filters, the actual sample size turned out to be, Brazil-BOVESPA index, 39 companies; Russia- RTS index, 21 companies; India- SENSEX, 17 companies; China- SSE 50, 19 companies; US- NASDAQ 100 and Amex major market index, 58 companies and UK- FTSE100, 78 companies.

For the purpose of studying the impact of various corporate attributes on the extent of sustainability reporting by selected Indian companies, the population size is BSE 200 companies i.e. top two hundred companies listed on the Bombay Stock Exchange. To arrive at the sample, following filters are applied -

- The companies belonging to the finance and insurance sector are eliminated. The reason being that their business activities or institutional settings are not comparable with other companies (Ruhnke and Gabriel, 2013). Moreover, they indulge in materially different types of business operations and different statutory

\(^1\) A country is classified to be developed or developing on the basis of its gross domestic product (GDP), per capita income, stage of industrialization, general standard of living and the amount of extensive infrastructure. Developed countries are countries in the top quartile in the HDI distribution, while those in the bottom three quartiles are developing countries (IMF, 2011)
disclosure requirements (Al-Shammari, 2008; Reverte, 2009). Also because these companies are governed by their respective statutory acts.

- The companies for which data regarding all the explanatory variables is not available are left out.

Thus, as a result of these filters, a resultant sample of 158 non-banking and non-financial companies are obtained.

6.4 TIME PERIOD

The time frame for this study is 5 years i.e. from 2006-2007 to 2010-2011. The latest sustainability report published by the selected companies during this period would be considered for the analysis (see Ruhnke and Gabriel, 2013). The reason for selecting period between 2006 to 2011 is because 2006 was the year when G3 guidelines on Sustainability Reporting (by GRI) were provided and 2011 was the year when the study was taken up. For the purpose of studying the impact of corporate attributes the reports for the year 2010-2011 are studied.

6.5 DATA SOURCE

The primary source of data is sustainability reports. With specific reference to India, while studying determinants of sustainability disclosure, where the analysis is restricted to 2010-11 only, annual reports have also been studied for companies which do not have separate sustainability reports for the said year. The sustainability and annual reports of companies are obtained from their respective web sites. Corporate register database and sustainability disclosure database are also used for gathering sustainability reports. The data related to corporate specific attributes for the financial years 2010-2011 has been retrieved from PROWESS database of CMIE (Center for monitoring Indian economy). CIME encompasses the financial information of almost seven thousand companies in the Indian corporate sector. The same has also been cross checked from the annual reports.
6.6 DATA COLLECTION

6.6.1 GRI sustainability disclosure index

This study involves the usage of sustainability disclosure index based on the GRI framework as given by GRI’s G3 guidelines. There are three types of standardized disclosures under the GRI framework, namely, strategy and profile, the management approach and performance indicators. For this study performance indicators have been the only measure for their inclusion. Performance indicators are an integral part of the standard disclosures and form the basis of quantitative and qualitative information on economic, environmental and social performance categories. These indicators comprise of 79 items in the disclosure index given under GRI framework and all these items have been taken for observation.

6.6.2 Content analysis

To measure the level of sustainability disclosure for sample companies, content analysis is performed on their respective reports. While doing content analysis, these 79 items depicting performance indicators as outlined by disclosure index are rationed a maximum score of 2 each making the total possible score of 158 (79*2). Coding is undertaken manually and focused on the analysis of the GRI content index which is necessary to be included in the sustainability report as per GRI guidelines. The scoring is done as 2: indicator fully reported; 1: indicator partially reported and 0: indicator not reported. Cases where companies stated that a specific indicator was “not material” is taken as 0 while “not applicable” is considered NA and is excluded for this reason.

6.7 DATA ANALYSIS

For the purpose of data analysis, various statistical techniques have been used in the study. The main statistical techniques used to analyze the extent of sustainability reporting in developed and developing countries are: Descriptive statistics, one way ANOVA, independent sample t test and a non parametric test namely Kruskal-Walls H test. Product moment correlation coefficient analysis and multiple regression analysis are used to examine the impact of corporate attributes namely size, profitability, growth,
leverage, age, nationality, listing category, board size, board independence, advertising intensity and nature of industry on sustainability reporting.

6.8 HYPOTHESES OF THE STUDY

Keeping into consideration the objectives of the study, the following null and alternate hypotheses have been framed and tested:

6.8.1 Developing and Developed Countries

The null and alternate hypotheses for developed and developing countries are described as follows:

6.8.1.1 Developing countries

Brazil

H₀₁: There is no significant difference in the sustainability disclosure scores of economic, environmental and social indicators of Brazilian companies.

H₁: There is significant difference in the sustainability disclosure scores of economic, environmental and social indicators of Brazilian companies.

H₀₂: There is no significant difference in the sustainability disclosure scores of Brazilian industries.

H₂: There is significant difference in the sustainability disclosure scores of Brazilian industries.

Russia

H₀₃: There is no significant difference in the sustainability disclosure scores of economic, environmental and social indicators of Russian companies.

H₃: There is significant difference in the sustainability disclosure scores of economic, environmental and social indicators of Russian companies.

H₀₄: There is no significant difference in the sustainability disclosure scores of Russian industries.

H₄: There is significant difference in the sustainability disclosure scores of Russian industries.
India

H_{05}: There is no significant difference in the sustainability disclosure scores of economic, environmental and social indicators of Indian companies.

H_{5}: There is significant difference in the sustainability disclosure scores of economic, environmental and social indicators of Indian companies.

H_{06}: There is no significant difference in the sustainability disclosure scores of Indian industries.

H_{6}: There is significant difference in the sustainability disclosure scores of Indian industries.

China

H_{07}: There is no significant difference in the sustainability disclosure scores of economic, environmental and social indicators of Chinese companies.

H_{7}: There is significant difference in the sustainability disclosure scores of economic, environmental and social indicators of Chinese companies.

H_{08}: There is no significant difference in the sustainability disclosure scores of Chinese industries.

H_{8}: There is significant difference in the sustainability disclosure scores of Chinese industries.

BRIC countries

H_{09}: There is no significant difference in the sustainability disclosure scores of BRIC nations.

H_{9}: There is significant difference in the sustainability disclosure scores of BRIC nations.

6.8.1.2 Developed countries

US

H_{010}: There is no significant difference in the sustainability disclosure scores of economic, environmental and social indicators of US companies.

H_{10}: There is significant difference in the sustainability disclosure scores of economic, environmental and social indicators of US companies.
**US**

**H011:** There is no significant difference in the sustainability disclosure scores of US industries.

**H11:** There is significant difference in the sustainability disclosure scores of US industries.

**UK**

**H012:** There is no significant difference in the sustainability disclosure scores of economic, environmental and social indicators of UK companies.

**H12:** There is significant difference in the sustainability disclosure scores of economic, environmental and social indicators of UK companies.

**H013:** There is no significant difference in the sustainability disclosure scores of UK industries.

**H13:** There is significant difference in the sustainability disclosure scores of UK industries.

**US and UK**

**H014:** There is no significant difference in the sustainability disclosure scores of US and UK

**H14:** There is significant difference in the sustainability disclosure scores of US and UK.

### 6.8.1.3 Developing v/s Developed

**H015:** There is no significant difference in the sustainability disclosure scores of developing and developed economies.

**H15:** There is significant difference in the sustainability disclosure scores of developing and developed economies.

### 6.8.2 Sustainability Reporting and Corporate Attributes

The null and alternate hypotheses for studying the impact of corporate attributes are described as follows:

**H01:** The size of a company as measured by its total assets or net sales or total market capitalization has no significant impact on its sustainability disclosure score.
$H_1$: The size of a company as measured by its total assets or net sales or total market capitalization has a significant impact on its sustainability disclosure score.

$H_{02}$: The profitability of a company as measured by its ROA or ROCE or RONW has no significant impact on its sustainability disclosure score.

$H_2$: The profitability of a company as measured by its ROA or ROCE or RONW has a significant impact on its sustainability disclosure score.

$H_{03}$: The growth of a company as measured in terms of its growth in total assets has no significant impact on its sustainability disclosure score.

$H_3$: The growth of a company as measured in terms of its growth in total assets has a significant impact on its sustainability disclosure score.

$H_{04}$: The leverage of a company as measured by its debt-equity ratio has no significant impact on its sustainability disclosure score.

$H_4$: The leverage of a company as measured by its debt-equity ratio has a significant impact on its sustainability disclosure score.

$H_{05}$: The listing category of a company has no significant impact on its sustainability disclosure score.

$H_5$: The listing category of a company has a significant impact on its sustainability disclosure score.

$H_{06}$: The age of a company has no significant impact on its sustainability disclosure score.

$H_6$: The age of a company has a significant impact on its sustainability disclosure score.

$H_{07}$: The nationality of a company has no significant impact on its sustainability disclosure score.

$H_7$: The nationality of a company has a significant impact on its sustainability disclosure score.
H08: The board size of a company has no significant impact on its sustainability disclosure score.

H8: The board size of a company has a significant impact on its sustainability disclosure score.

H09: The board independence of a company has no significant impact on its sustainability disclosure score.

H9: The board independence of a company has a significant impact on its sustainability disclosure score.

H010: The advertising intensity of a company has no significant impact on its sustainability disclosure score.

H10: The advertising intensity of a company has a significant impact on its sustainability disclosure score.

H011: The nature of industry to which a company belongs has no significant impact on its sustainability disclosure score.

H11: The nature of industry to which a company belongs has a significant impact on its sustainability disclosure score.

6.9 MAJOR FINDINGS OF THE STUDY

6.9.1 Comparison of Sustainability Reporting Practices of Companies in Developing and Developed Countries

On the basis of discussions and analysis of the sustainability disclosure practices of selected companies from developing and developed countries, the following inferences can be drawn with respect to:

Developing countries

From the analysis of the sustainability disclosure practices of selected BRIC companies, it is clear that India is leading BRIC economies in sustainability reporting practices, followed by Brazil, then Russia and at last China. However, the following specific inferences can be made:
The level of sustainability reporting is different in BRIC countries under study. It is high in India and Brazil and is low in case of Russia and China. Differentiated sustainability reporting structures are thus noted among BRIC countries.

Overall mean disclosure score is 81.59% in case of India followed by Brazil at 68.35% and the least sustainability disclosure score is that of China i.e. 31.39% followed by Russia at 48.49%. The result of one way ANOVA shows that these differences are significant at 1% level.

The range of sustainability disclosure is 43.67% to 100% in India, 21.52% to 100% in Brazil, 4.43% to 100% in Russia, and 2.53% to 66.46% in China. The range of disclosure is the highest in Russia as compared to other economies.

In India TCS (Computer Hardware & Software), in Brazil BRF (Consumer Goods), in Russia TNK-BP (Oil & Gas) has the highest sustainability disclosure score of 100%, while Baosteel (Metals & Mining) has the highest sustainability disclosure score of 66.46% in China. Hindalco industries (Metals & Mining) with 43.67% in India, Itausa (Finance) with 21.52% in Brazil, Sistema (Others) with 4.43% in Russia, and Bank of China & Citic Securities (Finance) both with 2.53% disclosure score in China have the lowest sustainability disclosure scores.

Out of the three categories Economic, Environmental and Social, Economic category is the most reported category in all the countries. It has disclosure score of 87.26% in India 73.47% in Brazil, 51.59% in Russia, and 49.14% in China. And environmental category is the least reported.

The leading industry in case of India is ‘Computer Hardware & Software’ with 94.02% and in Brazil it is ‘Pulp & Paper’ with 87.97% sustainability disclosure score. In Russia it is ‘Oil & Gas’ with 60.84% and in case of China it is ‘Automobiles & Transport’ with 50% disclosure score. However the laggard industries are Consumer goods, Retail, Others and Finance in India, Brazil, Russia and China respectively.

**Developed countries**

From the analysis of the sustainability disclosure practices of selected US and UK companies, following inferences can be drawn:
The level of sustainability reporting is almost similar in US and UK. It is somewhat low in both the countries.

Overall mean disclosure score is 39.1% in case of US followed by UK with 34.5%. The result of independent sample t test shows that these differences are not significant.

The range of sustainability disclosure is 2.53% to 100% in US and 2.53% to 88.31% in UK. The range of disclosure is more in US as compared to UK.

In US, International Business Machine (Computer Hardware and Software) and Procter & Gamble (Consumer Goods) have the highest sustainability score of 100%, while Xstrata (Metals and Mining) has the highest sustainability disclosure scores of 88.31% in UK. BMC software & Microchip Technology both with 2.53% in US and Shire with 2.53% in UK have the lowest sustainability disclosure score.

Out of the three categories Economic, Environmental and Social, Environmental category is the most reported category for both the countries. It has disclosure score of 43.67% in US and 38.11% in UK. And social category is the least reported.

The leading industry in case of US is Chemicals sector with 73.11% sustainability disclosure score. And the leading industry in case of UK is ‘Metals & Mining’ and has the disclosure score of 62%. However, Retail and Engineering are laggards in both US and UK respectively.

**Developing Vs Developed countries**

The comparison of sustainability reporting practices of companies in developing and developed countries leads to following inferences:

- Companies in developing nations are reporting more sustainability information as compared to the companies of developed nations. Sustainability reporting in emerging countries is more developed than commonly thought.

- Overall mean disclosure score is 59.04% in case of developing countries followed by developed countries with 36.47%. The result of independent sample t test shows that these differences are significant at 1% level.
Out of the three categories of the sustainability disclosure index namely Economic, Environmental and Social; Economic is the most reported category for developing countries with 65.37% score and Environmental is the most reported one for developed countries with 40.89% score. While Environmental category is laggard with respect to developing nations and Social category is laggard with respect to developed nations.

The leading industries in case of developing countries include Pulp & Paper, Oil & Gas, Computer Hardware & Software, Automobiles & Transport, and in developed nations these are Chemicals and Metals & Mining. The laggard industries are Retail, Others, Consumer goods and Finance with respect to developing nations. Retail and Engineering are laggards in developed countries.

6.9.2 Corporate Attributes of Sustainability Reporting in India

This objective has a motive to identify the attributes which are acting in the business environment to influence the sustainability reporting.

Results of multiple regression analysis reveal that out of 9 models, the model, which is satisfying validity requirements and having improved adjusted $R^2$ has been chosen and selected as a valid model. The first equation is the best as it is satisfying validity requirements and has an improved adjusted $R^2$. It has an adjusted $R^2$ of 0.38, F value of 5.216 which is significant at 1% level of significance. Therefore, the model 1 i.e. with combination of log of market capitalization, ROA, growth, leverage, listing category, age of a company, nationality, board size, board independence, advertising intensity and nature of industry is selected. In this model, log of market capitalization ROA, growth, leverage, age of a company, nationality, advertising intensity, Oil & Gas, Cement & Construction and Software, IT & ITES industry are found to be significant.

It highlights size measured in terms of log of market capitalization and nationality are positively significant at 1% level, while age and nature of industry (Software, IT & ITES and Oil & Gas) are significant at 5% level. Companies with large size, older, multinational operations and belonging to Software, IT & ITES and Oil & Gas industry have significant sustainability disclosure. However, advertising
intensity is negatively significant at 1% level while ROA, leverage, growth are negatively significant at 5% level. This shows that the company’s profits, leverage, growth and advertising intensity are negatively related with the extent of sustainability disclosure. Other variables were found to be insignificant.

The present study is a comprehensive study that has taken into consideration a comparatively larger number of corporate attributes that affect the sustainability reporting practices of Indian companies.

6.10 IMPLICATIONS OF THE STUDY

The present study adds to the growing literature on international disclosure practices and their determinants. Hence, it has its implications for a number of interested groups namely investors, corporate managers, accounting bodies, regulatory authorities, government, stock exchanges, NGOs, general public, academicians and researchers.

This study can help the investors in identifying the sustainably active companies in which they should invest their resources. These days investors attach more importance to environmental and social performance of companies and prefer making investments in companies going in for green initiatives. Moreover, the present study will help the investors to judge the variables that are significant and accordingly use such variables for future screening of profitable companies. It will save the considerable time, energy and the resources of individual investor. Further, informed investors also prompt companies to report because of their increased consciousness to invest in a sustainably responsible company and sustainability reporting in turn facilitates them to compare performance within a company and between different companies over a period. Even the potential investors would be able to make critical judgment on the sustainability issues of companies.

This study will also help corporate managers acting on behalf of companies to a great extent in depicting motivators for sustainability disclosure and formulating sound theory on sustainability disclosure requirements for their companies belonging to specific industries. It seems that there should be industry specific need of sustainability reporting as all industries need not spend exorbitantly on such voluntary disclosures. It should serve a definite purpose and need not be universal. It will also serve as a strategic tool that confers competitive edge.
This study can be of great use to accounting bodies responsible for issuing guidelines in the form of accounting standards and thus provide more credible sustainability information to stakeholders. It will increase their understanding of the factors that explain the sustainability disclosure by companies and use this in developing future recommendations. It will help them in forming new accounting standards keeping into consideration the various gaps, requirements and problems in application. It will facilitate giving awards to the most deserving and the best-presented sustainability practices followed by different companies.

This study can be of immense use to the regulatory authorities for policy framework. The results of present study highlight that through their respective sustainability reports, companies are using their own perception to disclose information, ignoring its perceived usefulness to the investors. This research will help regulatory authorities to be in a position to direct companies regarding full, fair, adequate and useful sustainability disclosure to the investors. The regulatory authorities from different countries may take steps in this direction by prescribing the sustainability disclosure requirements. This practice will make the companies more reliable and competent in the eyes of investors from all over the world. It will also help them to make a competitive analysis of status of sustainability reporting in their countries with other emerging and/or developed nations.

Further, it will encourage governments all over the world to take up sustainability reporting seriously and change the strategic outlook of business. This study highlights that governments need to play an increasingly proactive and vital role to correct and speed up the process of sustainability reporting. The governments of the countries with low sustainability disclosure should consider improving their own institutions through rule of law and environmental governance. They should recognize that actions taken now will have implications for the future. It also prompts governments to play a pivotal regulatory role by imposing sustainability reporting and assurance as a minimum legal requirement.

It can also help in motivating the stock exchanges to impose sustainability disclosure requirement compulsory. These requirements need to be based on the
economic capability of companies and companies with more cash should commit more in sustainability reporting practice.

It can also give insights to other stakeholders say NGOs. This will enable them to assess sustainability reporting practices in major economies of the world.

This study can also benefit general public. It will enhance their awareness and understanding with respect to issues of sustenance. It will help them to compare status of sustainability reporting in developed and emerging economies.

The research would also be helpful to the academicians as they can enhance their knowledge with respect to the new trend in corporate reporting i.e. sustainability reporting. It will also help researchers to continue in their endeavors of exploring more with respect to sustainability.

6.11 SCOPE FOR FURTHER RESEARCH

Sustainability disclosure, an emerging trend in corporate disclosure, is a vital area of research. It highlights various aspects of economic, environmental and social reporting practices of companies. No single thesis can cover such a wide spectrum of sustainability reporting practices.

Further research can be carried out:

- To compare the sustainability reporting practices, considering different countries.
- To examine the impact of corporate attributes on sustainability reporting for other countries.
- To study the effect of sustainability disclosure on corporate performance.
- To analyze the changes in the content of the information presented in the sustainability reports with respect to the extent of sustainability disclosure at two points of time.
- To study the perception of institutional investors and compilers of sustainability reports regarding importance of indicators sustainability information disclosure.
- To suggest an appropriate framework for sustainability reporting.
- To cover item-wise disclosure.