

UNIVERSITY OF LJUBLJANA  
SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

**AN ANALYSIS OF SUSTAINABILITY DISCLOSURE IN  
UKRAINIAN COMPANIES**

Ljubljana, May 2020

ALINA TERSKYKH

## AUTHORSHIP STATEMENT

The undersigned Alina Terskykh, a student at the University of Ljubljana, School of Business and Economics, (hereafter: SBE LU), author of this written final work of studies with the title An Analysis of Sustainability Disclosure in Ukrainian Companies, prepared under supervision of Full Prof. Dr. Adriana Rejc Buhovac

### DECLARE

1. this written final work of studies to be based on the results of my own research;
2. the printed form of this written final work of studies to be identical to its electronic form;
3. the text of this written final work of studies to be language-edited and technically in adherence with the SEB LU's Technical Guidelines for Written Works, which means that I cited and / or quoted works and opinions of other authors in this written final work of studies in accordance with the SEB LU's Technical Guidelines for Written Works;
4. to be aware of the fact that plagiarism (in written or graphical form) is a criminal offence and can be prosecuted in accordance with the Criminal Code of the Republic of Slovenia;
5. to be aware of the consequences a proven plagiarism charge based on the this written final work could have for my status at the SEB LU in accordance with the relevant SEB LU Rules;
6. to have obtained all the necessary permits to use the data and works of other authors which are (in written or graphical form) referred to in this written final work of studies and to have clearly marked them;
7. to have acted in accordance with ethical principles during the preparation of this written final work of studies and to have, where necessary, obtained permission of the Ethics Committee;
8. my consent to use the electronic form of this written final work of studies for the detection of content similarity with other written works, using similarity detection software that is connected with the SEB LU Study Information System;
9. to transfer to the University of Ljubljana free of charge, non-exclusively, geographically and time-wise unlimited the right of saving this written final work of studies in the electronic form, the right of its reproduction, as well as the right of making this written final work of studies available to the public on the World Wide Web via the Repository of the University of Ljubljana;
10. my consent to publication of my personal data that are included in this written final work of studies and in this declaration, when this written final work of studies is published.

Ljubljana, May 26<sup>th</sup>, 2020

Author's signature: \_\_\_\_\_

# TABLE OF CONTENTS

<b>INTRODUCTION .....</b>	<b>1</b>
<b>1 CORPORATE SOCIAL DISCLOSURES THROUGH SUSTAINABILITY REPORTING.....</b>	<b>3</b>
<b>1.1 Definitions and core ideas.....</b>	<b>3</b>
<b>1.2 Motivation for sustainability disclosure.....</b>	<b>9</b>
<b>2 EMPIRICAL FINDINGS ON SUSTAINABILITY DISCLOSURE .....</b>	<b>10</b>
<b>2.1 Sustainability disclosure in Western Europe.....</b>	<b>11</b>
<b>2.2 Sustainability disclosure in CEE.....</b>	<b>13</b>
<b>2.3 Sustainability disclosure in Ukraine .....</b>	<b>15</b>
<b>3 COMPARATIVE STUDY ON SUSTAINABILITY REPORTING IN UKRAINE .....</b>	<b>18</b>
<b>3.1 Research method.....</b>	<b>18</b>
<b>3.2 Research process.....</b>	<b>19</b>
<b>3.3 Findings.....</b>	<b>22</b>
3.3.1 Sustainability Reporting Form .....	24
3.3.2 Language Used .....	25
3.3.3 Reporting Standards.....	26
3.3.4 Focus of Reports.....	27
<b>4 DISCUSSION.....</b>	<b>42</b>
<b>4.1 Recommendations for managers.....</b>	<b>42</b>
<b>4.2 Main contribution.....</b>	<b>43</b>
<b>4.3 Research limitations .....</b>	<b>44</b>
<b>CONCLUSION .....</b>	<b>44</b>
<b>REFERENCE LIST.....</b>	<b>46</b>
<b>APPENDIXES.....</b>	<b>54</b>

## LIST OF FIGURES

Figure 1: The Pyramid of Corporate Social Responsibility .....	4
--	---

Figure 2: Triple Bottom Line.....	5
Figure 3: The Set of GRI Standards.....	7
Figure 4: Research Process for the Thesis.....	19
Figure 5: Final List of Sampled Ukrainian Companies.....	23
Figure 6: Percentage of Sustainability Disclosure in Each Sustainability Category .....	30

## **LIST OF TABLES**

Table 1: The Ten Principles of the United Nations Global Compact .....	8
Table 2: List of Empirical Studies on Sustainability Disclosure in Western Europe .....	11
Table 3: List of Empirical Studies on Sustainability Disclosure in Central and Eastern Europe .....	13
Table 4: List of Empirical Studies on Sustainability Disclosure in Ukraine.....	17
Table 5: Coding Scheme.....	21
Table 6: Sustainability Reporting Form Used Among Sampled Companies .....	24
Table 7: Language Used for Reports of Sampled Companies.....	26
Table 8: Reporting Standards in Reports of Sampled Companies.....	27
Table 9: Length of Reports of Sampled Companies (in Pages).....	28
Table 10: Top Sustainability Issues Across Ten Ukrainian Companies in 2012/2013.....	31
Table 11: Top Sustainability Issues Across Ten Ukrainian Companies in 2017.....	32
Table 12: Quality of Disclosure of Individual Sustainability Issues in Ten Ukrainian Companies in 2012/2013 .....	34
Table 13: Quality of Disclosure of Individual Sustainability Issues in Ten Ukrainian Companies in in 2017.....	36
Table 14: Rank of Ten Ukrainian Companies Based on Their Overall Sustainability Disclosure in 2012/2013.....	39
Table 15: Rank of Ten Ukrainian Companies Based on Their Overall Sustainability Disclosure in 2017.....	40

## **LIST OF APPENDIXES**

Appendix 1: Povzetek (Summary in Slovene language).....	1
Appendix 2: List of Companies Used for the Research .....	2

Appendix 3: Content Analysis for the Year 2012/2013.....	8
Appendix 4: Content Analysis for the Year 2017 .....	13

## **LIST OF ABBREVIATIONS**

- CEE** – Central and Eastern Europe
- CSR** – Corporate Social Responsibility
- EU** – European Union
- GDP** – Gross Domestic Product
- GRI** – Global Reporting Initiative
- NGO** – Non-Governmental Organisation
- SDG** – Sustainable Development Goal
- SR** – Sustainability Reporting
- TBL** – Triple Bottom Line
- UK** – United Kingdom
- UNGC** – United Nations Global Compact
- WCED** – World Commission on Environment and Development
- WE** – Western Europe

## INTRODUCTION

In the last twenty years, businesses have moved towards incorporating sustainability ideas and the concept of corporate social responsibility (hereinafter: CSR) in their day-to-day operating activities. The phenomenon of globalisation made the organisations become more aware of their impacts upon society and moving managers' mind-sets beyond financial profits. Organisations started shaping progressive social initiatives, enacting environmental policies for their international operations, and other sustainable practices (Hart, 1995; Kolk, 2004; Russo & Fouts, 1997). It is important to bring the light on sustainability in the corporate sector, therefore the focus of this thesis is sustainability reports which are non-financial reports that give an overview to all stakeholders about the organisation's involvement in CSR (Horváth et al., 2017a). Furthermore, sustainability reporting (hereinafter: SR) can be treated as one of the indicators of the social responsibility of the company, implying that social accountability is only in place if the organisation accepts social responsibility (Gray, Kouhy & Lavers, 1995).

In recent years the topic of SR has become more prevalent in business governance, media coverage and academic circles. Although the companies were publishing social information as part of their annual report before, there was an increasing shift in the volume of today's SR. In the early 1990s when the first study on corporate social reporting was published it was referred to as a 'niche activity'. Ten years later, the same study declared it a 'mainstream activity' (KPMG, 2013). Nowadays, approximately 90-95% of the 250 world's biggest companies report on non-financial issues. The reporting rate among the largest 100 companies in each country surveyed increased by 2 percentage points from 73% to 75% since 2015 (KPMG, 2017). SR is one of the many channels for mandatory or voluntary sustainability disclosure but it remains the most commonly used (Elkington, 1997; Stubbs, Higgins & Milne, 2013).

It is important to point out the geographical focus of SR to date. Despite wide geographical coverage, sustainability disclosure has focused on Western Europe (hereinafter: WE) and the North American region and less on emerging economies (Maignan & Ralston, 2002). The corporate responsibility reporting rate in WE was 82% in 2017, while in Eastern Europe only 65% for the same year. This implies that many businesses in Eastern Europe are focused on financial performance reports that don't assess the environmental and social aspects of this performance (KPMG, 2017). Another division is between developed and developing world, for example Prieto-Carrón, Lund-Thomsen, Chan, Muro, and Bhushan (2006) in their research reached the conclusion that SR is higher in both quality and quantity in developed countries. This indicates the need for further research on the developing countries, therefore this thesis will take the trending issue of sustainability disclosure and fill the geographical empirical gap by assessing the Ukrainian corporate sector.

The thesis is based on an international study of sustainability reporting in 11 countries from Central and Eastern Europe (hereinafter: CEE) (Horváth & Pütter, 2017). Its **purpose** is to widen the international research on sustainability reporting in the CEE region and provide insights to the business managers in Ukraine on the current level of sustainability disclosure.

The thesis has the following specific **goals**:

- 1) To assess the quality of sustainability reports in Ukraine;
- 2) To analyse the current economic and political environment in the country and identify specific drivers for sustainability reporting compared to other CEE countries;
- 3) To identify what SR practices are prevalent in Ukrainian corporations and which are lacking.

From the goals presented above the research questions are put forth. The main questions that this thesis will try to answer are: What is the current state of sustainability disclosure in Ukraine? How does it compare to other CEE countries?

These questions can be further broken down:

What are the practices of SR disclosure in Ukraine?

What do companies currently disclose and how does this vary between companies?

What are the differences in Ukraine compared to the research done in CEE countries?

To reach the study goals and answer the aforementioned questions the qualitative content analysis research method was chosen for this thesis. It is a widely used method to analyse the sustainability disclosure (Horváth et al., 2017a; Horváth et al., 2017b; Quick, 2008) and in simple terms, it provided a systematic examination of the meaning of qualitative data. In the case of this thesis the data obtained from either annual reports or stand-alone sustainability reports (Mayring, 2004; Schreier, 2012). A sample of the top 100 Ukrainian companies based on financial performance is screened on availability of reports from years 2012/2013 and 2017, then the data from the preselected companies will be coded using the coding scheme with sustainability issues. The motivation behind choosing content analysis is: first of all, to ensure the comparability with the study of Horváth and Pütter (2017) on CEE countries and second it is the most appropriate way to assess information on what SR practices Ukrainian companies use. With the help of sustainability issues, I will attempt to answer what are the areas of focus and how the companies differ in their disclosure of those issues.

In analysing the sustainability reporting of the top companies in Ukraine the flow of the thesis will be as follows. Chapter 1 will define the main concepts and theories important to this work. Chapter 2 will analyse the empirical pieces of evidence available on SR in different countries with a focus on sustainability disclosure. The last two chapters will be

the main contribution, Chapter 3 and Chapter 4 will give an overview of the research method used for this study and the findings that form the basis of the recommendations. Finally, the master thesis will conclude and summarise the main purpose and viewpoints of this thesis.

# **1 CORPORATE SOCIAL DISCLOSURES THROUGH SUSTAINABILITY REPORTING**

## **1.1 Definitions and core ideas**

To address the research topic and answer the research question it is necessary to define the main concepts and narrow down the theories that support this work. In the previous chapter, the key concepts such as CSR and SR were mentioned, in this sub-chapter, they will be defined and discussed in-depth.

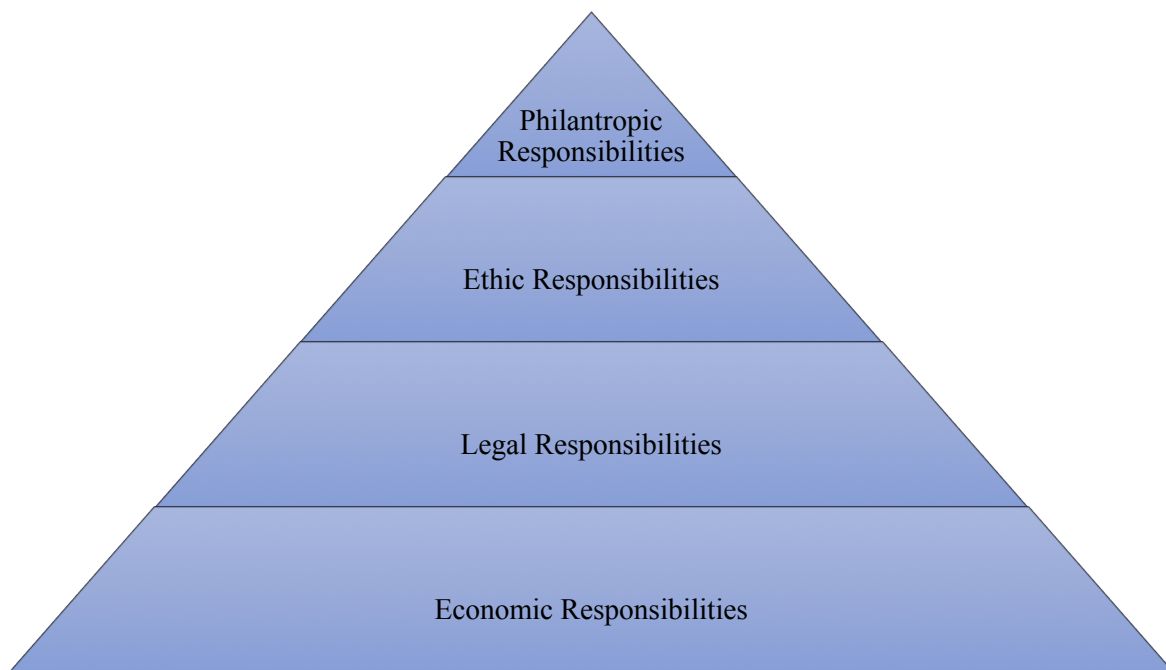
**CSR** is a commonly known and well-researched concept that is crucial to this study. This is because the sustainability disclosure reflects on how integrated the CSR practices are within a business and indeed whether a business takes sustainability into consideration. There are many interpretations of CSR, with one of the widely used definition of the concept stating “it is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large” (Holme & Watts, 2000, p. 10). This definition demonstrates that companies have strong ties to society or an unwritten social ‘contract’ to act sustainably (Gray, Owen & Maunders, 1987; Prieto-Carrón, Lund-Thomsen, Chan, Muro & Bhushan, 2006). Since sustainability is a central concern for CSR an organisation has the responsibility not only for the measurement of costs and value created in the present but also for its impact on the future (Aras & Crowther, 2009). Another take on CSR definition comes from The European Commission who defines it as “a concept whereby companies integrate social and environmental concern in their business operations and in their interactions with their stakeholders on the voluntary basis” (European Commission, 2011, p. 6). CSR focuses on the aspect that firms and entrepreneurs have a voluntary obligation to fulfil – “the social responsibility begins where the law ends” (Davis, 1973, p. 313).

Carroll (1991) explains the essential components of CSR, the graphical representation of which can be found in Figure 1. According to Carroll’s pyramid, there are 4 non-mutually exclusive dimensions, with each dimension representing one component of CSR. Moving from the bottom to the top, the economic responsibilities are at the base of pyramid and this is the primary incentive of each firm to operate. The main role of the firm in the economic dimension is “to produce goods and services that consumer needed and wanted and to make an acceptable profit” (Carroll, 1991, p. 41). After that there are the legal responsibilities of businesses that stand for its ability to comply with law and regulations introduced by governmental bodies. In other words, the society imposes certain expectations on businesses and one of them is to follow its economic mission within the confines of law. The third block



of the pyramid is ethical responsibilities that refer to norms and expectations that reflect what stakeholders, like employees or consumers regard as fair, together with respect of their moral rights. It is important to add that ethical responsibilities are a step beyond the legal responsibilities as it has higher expectation for businesses to conduct its activities at levels that are not codified into law. Philanthropic responsibilities is the top block that represents good corporate citizen, where firms engage in activities that promote human welfare or goodwill – in other words there are expectations for businesses to contribute human and financial resources to the community and thereby improving the quality of life.

*Figure 1: The Pyramid of Corporate Social Responsibility*



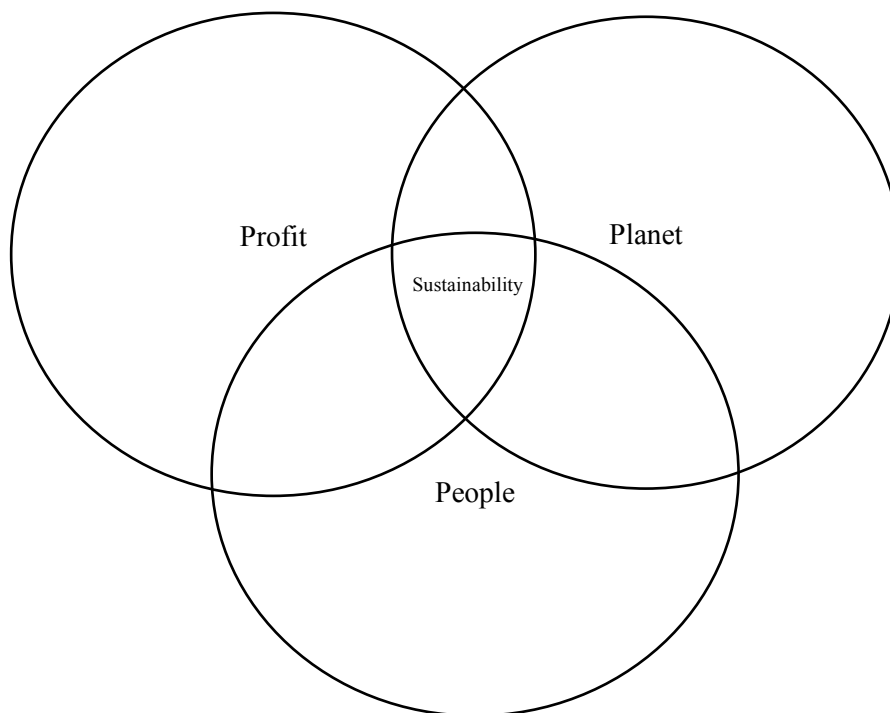
*Source: Carroll (1991).*

As mentioned above a commitment to CSR practices is signalled in sustainability material published by the corporate sector. Therefore, following we must define the term ‘sustainability report’ that went through various development stages and become popularised in the 90s.

The evolutionary stage was the emergence of the idea of **sustainable development**. It was officially introduced and defined by the World Commission on Environment and Development (hereinafter: WCED) in the so called Brundtland Report as ‘a development which meets the needs of the present generations without compromising the ability of future generations to meet their needs’ (WCED, 1987 p. 43). The concept had great impact and provided a normative framework together with guiding principles for sustainable development that is used today and stressed the importance of including all economic, social, and environmental systems (Beckmann, Hielscher & Pies, 2014; Redclift, 2002). The second stage occurred ten years later where the main theoretical contribution to the notion of

sustainability was provided by Elkington (1997) with the idea of the Triple Bottom Line (hereinafter: TBL). The model includes three interrelated dimensions as presented in Figure 2, often known as three Ps - Planet, People and Profit, where the intersection point of all three is referred to as Sustainability. It is clear that the model originates from the concept of the 'sustainable development' defined previously and applied for the corporate sector. The concept is used as an accounting framework and in simple terms means that to achieve greater performance the organisations need to combine traditional measures of profits, such as shareholder value or return on investment, with social (people) and environmental (planet) aspects.

*Figure 2: Triple Bottom Line*



*Source: Elkington (1997).*

It is evident that the two stages described above led to the development of new concepts and theories in the area of sustainability. Additionally, the concept of **Sustainable Development Goals** (hereinafter: SDGs), as defined by the United Nations in 2015 should be introduced. It is a set of 17 goals that are interconnected and aim to reach global sustainable development by ending poverty, protecting the planet and ensuring peace and prosperity (KPMG, 2017; UNDP, 2019). Even though the SDGs scale is global it is important to mention this concept in the course of this thesis because many nations adopt this initiative and trying to pursue it, which impacts corporations and their sustainability disclosure (KPMG, 2017). According to the 2019 SDG Index that summarises individual country's performance and trends on all 17 SDG goals, the Scandinavian countries are leading the ranking and Ukraine in this regard placed 41<sup>st</sup> out of 162 countries in the list (Sachs, Schmidt-Traub, Kroll, Lafortune & Fuller,

2019). Worth to mention that recently, SDGs started to be incorporated into CSR strategies and initiatives by businesses (Griggs et al., 2013).

**Corporate sustainability**, on the other hand, is a slightly different idea from sustainable development and relates to positive social, environmental, and economic performance of a corporation (Epstein & Rejc Buhovac, 2014) which can, if managed, innovatively, lead to profit. The social performance refers to impact of the organisation on broader society and incorporates many issues, such as workplace safety, human rights and labour rights. The environmental performance is company's implications of products, services and processes on living and non-living natural systems. Its notion goes beyond compliance with government regulations, it involves efficient and productive use of all assets and resources and minimising practices that have negative impact on ecological integrity. Finally, in understanding the economic performance firm's should move away from conventional financial accounting and look to generate long-term added value by focusing on human/intellectual capital and competitiveness (Jamali, 2006). Regardless of the slight differences in the concepts of TBL and Corporate sustainability, both imply that corporations should transparently report not only financial, but also social, environmental, and economic performance. Today, stakeholders are more informed, have more power and demand more information. This creates accountability pressure for corporations and elevates the required levels of transparency, not only for financial performance but also for corporate sustainability (Aras & Crowther, 2009; Milne & Gray, 2013).

From this perspective **sustainability reporting** can be defined as “a voluntary activity with two general purposes: 1) to assess the current state of an organisation's economic, environmental and social dimensions, and 2) to communicate a company's efforts and sustainability progress to their stakeholders” (Lozano, 2013, p. 58). However, it should be mentioned that the interpretation of ‘sustainability reporting’ is left in the hands of corporations. Sustainability disclosure can have various forms and entities choose the way they want to disclose information on sustainability. Some choose to publish stand-alone reports or just information on their webpage, while others include social and environmental information in their annual report together with the financial overviews (Kolk, 2004). There are three types of reporting used for analysis in this thesis: annual reports, sustainability reports and integrated reports. **Annual reports** are produced by companies to give stakeholders an overview of the activities and financial situation for the past year. This type of reporting, in general, is compulsory and has a retrospective nature, focusing mainly on financial information (Fasan, 2013). Although there are more regulations applicable to annual reporting, there are still parts left to a company's interpretation and manipulation (Simnett & Huggins, 2015). **Sustainability reports**, as discussed before focus on disclosing information regarding economic, social and environmental performance and are mainly voluntary (Jensen & Berg, 2012; Lozano, 2013). The new development in reporting and third type that will be included in my research are **integrated reports** that communicate the long-term perspective of the company together with financial and non-financial performances. It

is a more holistic form of reporting that concentrates on value created by businesses (Eccles & Krzus, 2010; Jensen & Berg, 2012). Even though there are different ways to report on sustainability, the content of the reports may vary; some reports make emphasis on one aspect of TBL while others highlight all three dimensions.

There has been an increase in the number of initiatives that try to provide a new and useful framework for standardised SR. Guidelines from professional initiatives can help build greater transparency and standardise the communication between companies and their stakeholders (Kolk, 2008; Pedersen, 2015). **The Global Reporting Initiative** (hereinafter: GRI), for example, is the leading international not-for-profit, network-based organisation that tackles those issues by providing standards for sustainability reporting since 1997 and ensures widespread use and implementation (GRI, 2018). The existing standards are graphically presented in Figure 3 and consists of three Universal Standards: GRI 101, GRI 102 and GRI 103 and three Topic-specific Standards: GRI 200, GRI 300 and GRI 400.

*Figure 3: The Set of GRI Standards*



*Source: GRI (2019).*

Universal Standards are there to guide each company on general information about its activities and approaches to sustainability management. Topic-specific Standards used to report the organisation's impact on economic, environmental and social topics. To be more precise, Economic disclosures are the organisation's impact on the economic systems at different levels such as local or national, Environmental standards reflect an organisation's impact on living and non-living natural systems and Social disclosures include the widest range of topics and cover the impact on the local communities in which companies operate together with labour practices and human rights. Besides the already mentioned topics the Social section also includes reporting organisation's products and services that directly affect stakeholders (GRI, 2019).

*Table 1: The Ten Principles of the United Nations Global Compact*

---

**Human Rights**

---

Principle 1: Business should support and respect the protection of internationally proclaimed human rights;

Principle 2: make sure that they are not complicit in human rights abuses.

---

**Labour**

---

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of discrimination in respect of employment and occupation.

---

**Environment**

---

Principle 7: Business should support a precautionary approach to environmental responsibility;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technology.

---

**Anti-Corruption**

---

Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

*Source: United Nation Global Compact (2019).*

With the European Union (hereinafter: EU) Directive 94 that stipulates more transparent non-financial reporting for large companies, SR is no longer a voluntary practice. The directive requires disclosure on sustainability policies, impacts of these policies and residual risks; but it leaves the room for corporations to decide what kind of information they consider appropriate and useful for disclosures (Horváth et al., 2017a; Willis, 2003). The **United Nations Global Compact** (hereinafter: UNGC) reporting framework is another

international initiative that provides companies with ten principles that they can align their operations with. The principles summarised in Table 1 above.

## **1.2 Motivation for sustainability disclosure**

To recapitulate, corporate sustainability reporting is mainly voluntary activity, with rising regulatory pressure. There is a theoretical framework built around the question of motivation behind SR, with theories seeking to explain why organisations engage in these practices. Adams (2002) identified three types of organisational factors influencing reporting: corporate characteristics, internal contextual factors and general contextual factors. The corporate characteristics refer to industry membership, strategic posture and corporate size; the general contextual factors are country of origin, economic, political and cultural context; the internal contextual factors attribute to presence of social reporting committee and views of the company chairperson.

There are numerous CSR theories such as Signaling Theory (Campbell, Shrides & Bohmbach-Saager, 2001), Game Theory (Von Neumann & Morgenstern, 1944), Stakeholder Theory (Donaldson & Preston, 1995; Freeman, 1984), Political Economy of Accounting (Cooper, 1980; Tinker, 1980) and Legitimacy Theory (Dowling & Pfeffer, 1975; Guthrie & Parker, 1989; Woodward, Edwards & Birkin, 1996). However, should be mentioned that there is no theory that on its own can explain the reason why companies involved in sustainability disclosure. For the topic of this thesis, the most suitable are Stakeholder Theory and Legitimacy Theory because those two have the biggest theoretical background and can be applied for the analysis of both developed and developing countries like Ukraine (Buhr, 2007). Both selected theories mentioned earlier are overlapping with regard to corporate sustainability disclosure because both centre the attention on stakeholders and the wider role of society.

Stakeholder Theory emphasises the importance of other stakeholders in an organisation rather than focusing on the owner's viewpoint. SR provides a reporting and communication tool that helps a company to manage its relationship with important stakeholders (Bebbington, 2001). This relationship is the critical aspect of this theory because the stakeholders are responsible for the continued existence and success of the company. Therefore, the more power stakeholders have the more attention company's give this relationship (Buchholz & Rosenthal, 2005; Gray, Kouhy & Lavers, 1995). From this perspective, the motivation for sustainability reporting is to show accountability to the stakeholders by disclosing all available information and influence their perception of the company in a favourable way (Fernandez-Feijoo, Romero & Ruiz, 2014).

Another view on motivation for sustainability disclosure is the Legitimacy Theory. Suchman (1995) described legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs and definitions" (p. 574). There is an implicit social contract exists

between society and the organisation, meaning an organisation will look for ways to hold on to the social contract by maintaining its legitimacy. Therefore, social disclosure has become as a tool to legitimise company actions (Deegan, 2007). It is argued in Legitimacy Theory literature that the increased prominence in the society of social and environmental issues influenced business entities to start disclosing more social and environmental information (Dowling & Pfeffer, 1975; Gray, Kouhy & Lavers, 1995; Suchman, 1995). However, companies can influence the perceived legitimacy by reporting on their practices in a way that fits their context. For instance, to manipulate the public view by diverting attention from problematic issues and report more on ‘hot’ media topics (Deegan, 2002).

Although both theories are well accepted in defining the main drivers behind sustainability disclosure, there are limitations to them. It should be noted that the theoretical framework for this relatively new issue of SR is still developing and should not be treated as established. The main limitation is that the society is not homogeneous and consists of many groups, where certain stakeholder groups may be more influential than others in demanding disclosures. That is why the SR practices are so different and content varies according to industry or country an organisation operates in (Neu, Warsame, & Pedwell, 1998). That said it appears more and more that the public interest leans towards social and environmental issues, which increase the volume of sustainability disclosures.

To summarise, SR is used to legitimise the actions of companies, improve reputation and the corporate image, influence stakeholders. Failing to report on sustainability can have various consequences: it costs society and costs companies in the form of reduced product/service quality, reputation and profits. By engaging in SR, firms assess a wider spectrum of risks, not just financial, thereby positively impacting stakeholders (Epstein, 1996; Kolk, 2004). Besides economic reasons, some companies report on ethical grounds, rather than being motivated to disclose in order to increase company competitiveness.

## **2 EMPIRICAL FINDINGS ON SUSTAINABILITY DISCLOSURE**

It is important to highlight the geography of studies conducted on SR because a sufficient part of my research involves the comparison of Ukraine with other countries within Europe, in particular CEE region. To complete the picture, WE analysis is also provided. The CEE and WE regions differences can be determined by different trajectories of economic and financial development, for CEE it can be explained by a number of factors such as high corruption rates, weak civil society and an inefficient legal environment (Berglöf & Pajuste, 2005; Horváth & Pütter, 2017; Kopp, 2015). Another note to this Empirical Findings chapter is that each region comprises several countries and thus there are some research papers that target just a few countries within the region.

## 2.1 Sustainability disclosure in Western Europe

WE is the leader in SR, the most actively reporting companies in Europe are based in this region. It is also the case that this region is the most researched when it comes to sustainability disclosure but in most of the studies target specific countries (Fifka, 2011). Table 2 presents the relevant empirical research on sustainability disclosure in WE countries that are discussed in this sub-chapter.

*Table 2: List of Empirical Studies on Sustainability Disclosure in Western Europe*

<b>Authors</b>	<b>Year</b>	<b>Country</b>	<b>Main focus</b>
Adams, Hill & Roberts	1998	WE (France, Germany, Netherlands, Sweden, Switzerland, UK)	Impact of size and industry on sustainability disclosure
Halme & Huse	1997	Finland, Norway, Spain and Sweden	Impact of corporate governance, industry and country on sustainability disclosure
Horváth & Pütter	2017	WE	General trends in sustainability disclosure
KPMG	2017	Global survey	Global trends in SR and insights for business leaders

*Source: Adams, Hill & Roberts (1998); Halme & Huse (1997); Horváth & Pütter (2017); KPMG (2017).*

Horváth and Pütter (2017) conducted the biggest research in the CEE region but also gave an overview of sustainability disclosure in WE. The main findings are: 1) The dominant form of sustainability disclosure for WE countries is stand-alone sustainability report. This form of reporting gives a detailed and complex overview compare to the company's webpage or annual report. 2) 96% of companies in the region use standards for reporting, predominantly GRI standards are used (90%); this is explained by more pressure from governmental institutions and non-governmental organisations (hereinafter NGOs) for transparency. 3) The content of the reports has different focal points from the GRI categories, that were discussed in the previous chapter. The WE companies prioritise environmental issues the most (16%), followed by financial issues (13%), with the least space dedicated to social (8%), product responsibility (4%) and human rights issues



(2%). Such statistics are explained by the target readers of sustainability reports, which are rating agencies and investors. Therefore, these two groups prioritise substantial environmental and financial information disclosure.

The research discussed previously by Horváth and Pütter (2017) gave a general overview of sustainability disclosure in WE. Nonetheless, there are different factors that influence sustainability disclosure and in particular internal determinants such as industry, size of the company, culture and more (Fifka, 2011). Halme and Huse (1997) conducted the study among companies in Finland, Norway, Spain and Sweden, testing the hypothesis that factors such as corporate governance, industry and country influence the reported sustainability information. The findings show that industry is an important variable when it comes to SR, however, no significant relationship has been found between number of board members or ownership concentration and sustainability disclosure. They also reached a conclusion that there are country-specific differences within the region and between the countries that share the same attributes. Finnish companies, compared to others in the group appeared to report less on environmental issues. Such a difference can be explained by more extensive sustainability initiatives in Norway and Sweden compared to their neighbour country.

Adams, Hill and Roberts (1998) researched two factors: the size and industry of the company and its impact on disclosure in six countries from the WE region. The study looked at three main dimensions: environmental, employee and ethical reporting. The findings showed that larger companies tend to publish more sustainable information throughout all dimensions. The industry is an important determinant of the amount of environmental information disclosed as well as the disclosure of information related to employees, but industry membership has no effect on the decision to report ethical information. The companies that operate in environmentally sensitive industries or ones that use large quantities of limited natural resources report more extensively on environmental issues. With regard to the sampled countries, the authors found that there are differences in the amount and type of information disclosed between the countries. They concluded that Germany and the United Kingdom (hereinafter UK) disclose the most throughout all three measures of disclosure, whereas the Netherlands discloses the least of environmental information and Switzerland lags behind on employee disclosure.

A good contributor to knowledge on the state of sustainability disclosure around the world is the KPMG research. It conducted a study on 4900 companies in 49 countries – which exceeds the range of focus of this thesis – but the report from 2017 has a few findings relevant to the WE region (KPMG, 2017). One of the main trends is the rise of SR rate among WE countries compared to 2015. It should be also noted that a lot of countries from this region like Switzerland, Germany, Norway, the Netherlands etc. have a higher rate of disclosure than the global average (72-89%). Another finding is that companies in WE countries reference SDGs in their reports, with the help of those sustainability goals the organisations demonstrate how they create value in society. SDGs were discussed in Chapter

1 and are a part of the programme to achieve global sustainability. Therefore, it is important for companies to incorporate goals and transmit their meaningful contribution. Out of the top 100 companies in each country the research measured how many do reference the SDGs in their sustainability reports. WE countries such as Sweden, France and the Netherlands are among those that are best at connecting corporate responsibility activity with SDGs and reporting on it.

## 2.2 Sustainability disclosure in CEE

One of the main issues with the CEE region is that it is under-researched and lagging behind the reporting practices in WE. There are a small number of studies available that give an overview of sustainability disclosure in the region (Fifka, 2011; Van Wensen, Broer, Klein & Knopf, 2011). However, the available research gives enough information to draw a conclusion and see the trends among CEE countries those – studies can be found in Table 3.

*Table 3: List of Empirical Studies on Sustainability Disclosure in Central and Eastern Europe*

<b>Authors</b>	<b>Year</b>	<b>Country</b>	<b>Main focus</b>
Horváth & Pütter	2017	CEE	General sustainability reporting trends
Horváth et al.	2017a	CEE	Reporting practices in the region
KPMG	2017	Global survey	Global trends in SR and insights for business leaders
Steurer & Konrad	2009	CEE	Influence of socio-political context on sustainability disclosure

*Source: Horváth & Pütter (2017); Horváth et al. (2017a); KPMG (2017); Steurer & Konrad (2009).*

Horváth et al. (2017a) research is the first one that provides data on patterns of SR based on multiple countries in CEE. The authors found that in general there is a low percentage of companies producing stand-alone sustainability reports or integrated reports in CEE. The cultural background and globalisation factors of each country have an impact on distribution of stand-alone reports but there is no relation between civil society and economic

development and the extent of stand-alone reports distribution. There are variations within the geographical area, for example, only 2% of companies in Latvia and Slovenia publish a stand-alone report when in Poland 54% of firms are involved in this practice. Another finding is related to the pattern in SR distinctive to the CEE area. The authors by analysing priorities and weighting of the sustainability perspectives did not find any particular patterns in the region. The findings can be explained either by the fact that no CEE pattern exists and stakeholders have the same expectations as in the whole Europe (including both WE and CEE) or companies ignore those particular expectations in order to centralise their strategy.

There is another empirical study done by Horváth and Pütter (2017) that is a good addition to already discussed Horváth et al. (2017a) research. Horváth and Pütter (2017) confirmed that most companies in the CEE region use annual reports or their company webpage to disclose sustainability information rather than stand-alone reports. However, in the study authors reached the conclusion that besides country-specific factors, internal factors and company characteristics influence whether companies issued a stand-alone report. They identified that the reason like the size of the company when the company is the Global Compact member played an important role. Also listed were internal reasons such as the lack of stakeholder pressure to issue stand-alone reports and the lack of resources for SR. With regard to reporting standards 68% of the companies from the CEE region standardise their reports and out of this percentage 54% use GRI standards. The authors explained these findings as due to less pressure from the government and NGOs to undertake sustainability reporting practices. Finally, the research found that CEE companies put the main emphasis on environmental issues (18%) when financial issues (7%) together with product safety (4%) and human rights (2%) have secondary priority. The reason behind this is the socialist past of the countries in question that left major environmental problems.

Steurer and Konrad (2009) conducted a study where they investigated the difference in sustainability disclosure between WE and CEE. They attempt to understand the relevance of corporate responsibility and the influence of socio-political contexts in the regions. Their research confirmed in the same manner as Horváth et al. (2017a) that SR in CEE is still not widespread and less developed even among the biggest internationally oriented companies. From what they found, the 'transparency' issue in the form of corruption and fraud is important for CEE companies but in their reports this issue is not discussed or the information is very general in nature. In addition to that, companies from CEE prioritise environmental performance more than social issues, however to the extent to fulfil EU standards in environmental management approaches but not go beyond them.

KPMG (2017) is another research that should be added to the empirical findings on sustainability disclosure in CEE. As was mentioned in the previous section on WE, it covers a lot of countries and the CEE region is not the exception. The survey concluded that countries from the region showed general progress in the percentage of reporting rate but there are still many CEE countries that have an SR rate lower than the global average (72%).

For example, the Czech Republic rate grew from 43% in 2015 to 51% in 2017, the same happened in Slovakia (from 48% to 55%) and Poland (54% to 59%), indicating that the rate grew but CEE countries are still behind in sustainability disclosure in the global picture. Apart from general trends in SR the survey looks at specific topics covered by countries and regions. The research found that companies in CEE are less likely to recognise human rights as a business issue, where only 61% of companies acknowledge the matter compared to 75% in Europe as a whole. Furthermore, the countries in CEE are less likely to report that they have a human rights policy in place and how it has been implemented.

### **2.3 Sustainability disclosure in Ukraine**

Not much light has been shed on sustainability disclosure in emerging markets and transitional economies like Ukraine (Horváth et al., 2017a; Kuzmin, Shpak, & Pyrog, 2016). There are a couple of reasons that can be identified. One of them is that in general, the concept of CSR is relatively new to the country, the development started in 2005 when the UNGC was launched (Vorobey, 2005). Second is that in the current unstable economic and political climate the attention of stakeholders has shifted away from sustainability aspect, or in other words there is no decent level of attention this issue deserves (Vorobey, 2005). Besides these reasons it should be noted that various cultural and social-economic factors may have an impact on reporting practices in different countries (Horváth et al., 2017a). As Ukraine is remaining the country that is less discussed and researched it is relevant to this study before highlighting the academic work on SR in Ukraine to give an overview of some of the factors that shaped the country as we know it

Ukraine is a relatively young lower middle-income country that gained independence in 1991 after collapse of the Soviet Union. The economy can be characterised as a developing with mixed economic system: limited private freedom combined with centralised economic planning and governmental regulation (The World Bank, 2018). Recently Ukraine faced severe political and economic crises related to Russia annexing Crimea in March 2014 and armed conflict with Russian-backed forces in the eastern part of Ukraine – Donetsk and Lugansk. Since then the country returned to relative stability with approximately 2% gross domestic product (hereinafter GDP) growth and 13% annual inflation rate in 2017 (IMF, 2017). Ukraine is an agricultural country situated on black fertile soil and is known as the “Breadbasket of Europe”. The country is one of the world’s largest wheat producers, besides that it produces cereals, sugar, milk (Miller, Kim & Roberts, 2018). The sector contributed around 13,5% to the GDP in the year 2016. The second biggest industrial sector is the manufacturing (iron and steel) and the third is the natural resources extractions (oil, gas, coal). As a consequence of the occupied territories mentioned above, Ukraine lost a large number of production assets and economic links with the region (The World Bank, 2018).

Cahan, De Villiers, Jeter, Naiker, and Van Staden (2016) confirmed in their study that in countries with strong political accountability and media freedom the general public is more demanding to higher level of sustainability disclosure. There are challenges associated with the freedom of media and press in Ukraine. Even though the situation improved since 2014 crisis, Freedom House (2018) gives the 'partially free' status to the freedom of press in the country. The reason behind this is the political interference in media content and the violence against the press due to the war situation in Ukraine (Human Rights Watch, 2018). Political accountability is low in the country due to many factors, the largest being a high level of corruption. According to Transparency International (2018) in 2017 Ukraine ranked 130<sup>th</sup> out of 180 countries in the Corruption Perceptions Index, which confirms the existing problem in the country. The mismanagement of public resources and poor provision of public services to the population makes the country less attractive to international partners and businesses. There were attempts to change the situation through strong reforms, such as the establishment of an anti-corruption institutional framework, however, the problem is rooted deeper due to juridical system malfunctioning (Miller, Kim, & Roberts, 2018).

Another important factor for this thesis is the environmental challenges in the country and its perception because the population's awareness is proportional to demand for sustainability disclosure and corporation accountability (Cahan, De Villiers, Jeter, Naiker, & Van Staden, 2016). The environment is a pressing issue for Ukraine as evidenced by the recent Environmental Performance Index (2018). Ukraine was ranked 109<sup>th</sup> out of 180 countries, compared to 2015 when it was ranked 44<sup>th</sup> out of the same sample. The pollution in particular is the prominent problem, the Ukrainian economy was ranked 134<sup>th</sup> as highly intensive in CO<sub>2</sub> emissions (Environmental Performance Index, 2018), and there are many more issues such as water pollution, different waste problems and deforestation. The government showed a commitment to solve the environmental problems through different policies and initiatives, but there are no proper incentives for environmentally friendly behaviour in place and lack of clear vision. As an example, in 2016 there was a rise in energy tariff that increased interest to alternative sources of energy and influenced energy-saving practices. However, the fines for breaching the environmental legislations remain low therefore offsetting the positive influence of this law (Al-Naber et al., 2016).

To generalise, Ukraine is undergoing through the process of reforms. It is a relatively young country still in search of its national identity, with the events of 2014 showing clearly that the country is divided not only according to language groups but also in its economic orientation (Kopp, 2015). However, there are aspirations for European integration. In January 2016 Ukraine joined the Deep and Comprehensive Free Trade Area with the EU that might help Ukraine to speed up the reforms related to the judicial system, anti-corruption and energy independence (Miller, Kim, & Roberts, 2018). Although the impact

from reforms takes time, the changes are necessary for the country's development, in particular in social and environmental context.

From this perspective, it is fair to point out that Ukraine is quite new to the concept of CSR and sustainability. Being in the developing stage this area is just starting to get the attention and involvement of government and activists. Therefore, there were not many studies carried out in the past 25 years since the country gained its independence. Table 4 lists 2 up-to-date studies on sustainability disclosure in Ukraine that are relevant for this thesis.

*Table 4: List of Empirical Studies on Sustainability Disclosure in Ukraine*

<b>Authors</b>	<b>Year</b>	<b>Country</b>	<b>Main focus</b>
Makarenko	2017	Ukraine	SR and macroeconomic factors
Zinchenko, Reznik & Saprykina	2018	Ukraine	Sustainability disclosure through web-pages

*Source: Makarenko (2017); Zinchenko, Reznik & Saprykina (2018).*

The first is the Transparency Index of Ukrainian companies done by Zinchenko, Reznik, and Saprykina (2018) in the Centre for CSR Development. The study analyses the sustainability disclosure of the top 100 Ukrainian firms mainly using the content of their web-pages but also draws some general conclusions on the sustainable business behaviour in the country. The main findings confirm that the SR among Ukrainian companies is not a popular initiative. Only 16 out of 100 analysed companies produced and published any kind of sustainability reports on their web-pages. In addition to that, the study shows that the information was disclosed in the non-financial reports need improvement. The most disclosed issues are labour relations, support and development of local communities and protection of the environment, but topics like human rights or information about the navigation of CSR received the least attention, with only 5 companies from the sample integrating their CSR goals and achievements in their reports. The positive change is the increasing amount of companies that develop anti-corruption and compliance policies.

The second is Makarenko (2017) where the author with the help of STEEPLE analysis gives an overview of SR in Ukraine and macroeconomic factors that influence it. The research concluded that SR in Ukraine is in the early stage of formation and there are obstacles for its development. The main problems are: there is little demand from key stakeholders for sustainability disclosure because there are not enough educational programs for society and businesses on the importance of sustainable development; lack of legal and political support; shadow economy in the country that become a barrier to acknowledge the economic value

of SR and CSR initiatives. Besides the indicated problems the article identified a couple of general trends among Ukrainian companies. One of them is they tend to report more on ecological aspects of sustainability above economic and social. The second observation is that the most commonly used initiative for reporting format is UNGC, comprising circa 80% of reports of the 53 Ukrainian companies that were analysed.

To sum up, even though SR is a relatively new discipline compared to financial reporting, there is a good deal of research done in this area. From the studies highlighted in this chapter, the degree of disclosure is approximately equal for CEE and WE when taking into account all forms of sustainability reporting, however, that cannot be applied for Ukraine. Lack of empirical evidence in this country stresses the importance of research in the area of sustainability disclosure.

### **3 COMPARATIVE STUDY ON SUSTAINABILITY REPORTING IN UKRAINE**

#### **3.1 Research method**

In order to look at the state of sustainability disclosure in Ukraine and answer the research questions, I will analyse the content of sustainability reports of top Ukrainian companies. The content analysis is a widely adopted method in empirical research on social responsibility disclosure. For example, already mentioned Quick (2008) and Horváth et al. (2017a) studies used such method or other studies of Niskanen and Nieminen (2001) and Maignan and Ralston (2002) that were not discussed in the course of this thesis.

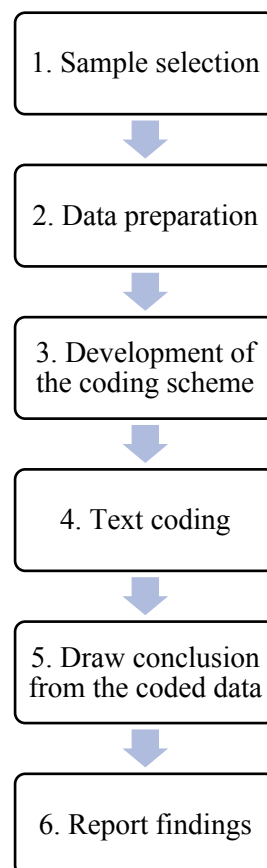
The most classic definition of content analysis was introduced by Berelson (1952, p. 18) as ‘a research technique for the objective, systematic, and quantitative description of the manifest content of communication’. Similarly, Holsti (1969) describes it as ‘technique for making inferences by objectively and systematically identifying specified characteristics of messages’. From recent literature, Krippendorff (2004, p. 18) saw content analysis as ‘a research method for making replicable and valid inferences from texts (or other meaningful matter) to the context of their use’. The provided definitions have in common the concepts of objectivity, inference and content. Consequently, the technique enables the investigator to derive the original meaning contained in the unit of analysis. Krippendorff (2004) also made a distinction between two types of research method: qualitative and quantitative. To analyse the SR disclosure, I will use qualitative content analysis, a method for describing the meaning of qualitative material in a systematic way (Mayring, 2004; Schreier, 2012). Qualitative content analysis is not quantifiable and does not produce statistical significance, however, it uncovers patterns, themes and categories important to social reality. To be precise, without considering any specific theory or hypothesis, the sustainability reports or annual reports will be investigated closely with diligence to uncover patterns and concepts (Zhang & Wildemuth, 2009).

There are particular advantages and disadvantages associated with this research method. The content analysis structured in the way that it ensures reliability and valid inference from narrative data in compliance with its context. In other words, because the content analysis is a systematic methodology with clear and transparent procedures it enables the researcher to compare a wide variety of material that otherwise will be difficult to analyse (Krippendorff, 2004; Marshall & Rossman, 1999). However, the qualitative content analysis is mainly based on the researcher's evaluation and therefore the subjectivity of the research method should be acknowledged. Additionally, one of the main drawbacks of this methodology is as it is often perceived lacking in the theoretical foundation since it emphasises the measurable characteristics of text rather than the theoretical significance (Bryman & Bell, 2007). To produce reliable study, the researcher must be aware of those disadvantages of the content analysis and try carefully to categorise, analyse and interpret the data. It is also preferable for the researcher to see if the recurrence of particular content has any theoretical interpretation.

### 3.2 Research process

The outline of the research process is important for conducting the study successfully. Figure 4 illustrates the research steps for this thesis.

*Figure 4: Research Process for the Thesis*



*Source: Adapted from Zhang & Wildemuth (2009).*



There are various academic articles that provide the flow of the process of content analysis, however, the structure used in a particular study is dependent on research questions. Zhang and Wildemuth (2009) describe the research process for qualitative content analysis. Their proposed flow was taken into consideration and adapted to current research. The steps will be explained further in details.

### 1) Sample selection

I used annual or stand-alone sustainability reports of the top 100 Ukrainian companies for the year 2012 or 2013, depending on availability. Both years were taken into consideration because sustainability reports are not necessarily published every year and the coverage period can vary. This enables cross-country comparison with the Horváth and Pütter (2017) research of CEE countries. In their study, the reporting practices of the 50 largest companies based on their turnover from various industries in each of the involved CEE countries were analysed. In my study, I employed rank based on the financial performance of companies printed in the Ukrainian journal *Visnyk* (2017) that partner with State Fiscal Service of Ukraine. Appendix 2 presents the list of all 100 companies with attributes as the industry the company operates in, the type of business and form of SR the company uses. The financial and insurance companies were excluded because this sector has fewer environmental and social impacts (Fortes, 2002), which reduced the sample to 96 companies. To see the progress in SR among Ukrainian companies, additionally to 2012/2013 reports, the reports from the year 2017 were obtained and analysed.

### 2) Data preparation

I assessed the official web pages of 96 companies from the list. The purpose was to collect sustainability reports or annual reports that included sustainability topic. The annual reports for this research are an important piece of information as according to Adams and Harte (1998) they are the main medium of communication by the companies and they have great social significance. To be precise, to find relevant information, web pages were reviewed and searched for headings such as “sustainable development”, “sustainability report”, “corporate social responsibility” in various languages – Ukrainian, Russian and English. Each of the sampled companies was investigated whether they published stand-alone sustainability report, and in case if they did not publish it, the annual reports were taken into consideration. In the course of this research process stage, the sample was reduced to 29 companies that had either of one way of disclosing sustainability information.

### 3) Development of the coding scheme

The qualitative content analysis differs from quantitative because instead of the physical linguistic units like word or paragraph it uses individual themes as a unit of analysis. When using the theme as a coding unit, the researcher looking for the expression of an idea (Neuendorf, 2002). The main purpose is to identify the theme or category relevant to the research question by assigning code to the text of any size (Zhang & Wildemuth, 2009). The

best way for this thesis to develop the coding scheme that will help to give an overview of sustainability disclosure was to use the basic sustainability theory and pre-existing sustainability initiatives.

*Table 5: Coding Scheme*

<p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>•Material used (recycled)</li> <li>•Water consumption</li> <li>•Emissions (of greenhouse gasses and harmful substances)</li> <li>•Energy consumption</li> <li>•Use of renewable resources and energy</li> <li>•Sustainable products</li> <li>•Sustainable suppliers</li> <li>•Waste by type and disposal method</li> <li>•Initiatives to mitigate environmental issues</li> </ul>
<p><b>Social</b></p> <ul style="list-style-type: none"> <li>•Employee education and training programs</li> <li>•Employee turnover</li> <li>•Diversity and equal opportunities for employees</li> <li>•Customer health and safety</li> <li>•Employee health and safety</li> <li>•Participation in local community</li> <li>•Human rights positions</li> <li>•Product and Service labelling</li> </ul>
<p><b>Economic</b></p> <ul style="list-style-type: none"> <li>•Local Hiring (sustaining local employment)</li> <li>•Locally-based suppliers (policy, practices and proportion)</li> <li>•Jobs created/retained within the company</li> <li>•Supporting/collaborating with the fair trade</li> <li>•Communication/development of sustainability principles in the industry</li> <li>•Direct economic value generated and distributed</li> <li>•Anti-Corruption Initiatives</li> </ul>

*Source: GRI (2019).*

The derived disclosures or also called sustainability issues are based on the GRI framework within three main dimensions of sustainability: Environmental, Social and Economic. The concepts were explained in details previously in Chapter 1. The final list, displayed in Table 5, consists not of all GRI disclosures, one of the reasons is to make the content analysis easier and to have shorter phrasings of the sustainability issues. There is also a case of

overlapping, therefore I removed the terms given multiple classifications from the list to have only terms that are unambiguous and linked only to one aspect of sustainability.

#### 4) Text coding

After identifying the relevant themes for the content analysis, the data were coded accordingly. Undisclosed sustainability issues were assigned (0), qualitative disclosures (1), the sustainability issues that have quantitative cross-sectional disclosure got (2) and quantitative longitudinal disclosures were marked (3). More specifically, not disclosed implies no mentioning of the issue in the report; the qualitative disclosure is when the only qualitative description is provided; quantitative cross-sectional is that there is quantitative information for the specific year and the highest level of disclosure is the quantitative longitudinal when the sustainability issue has a comparison with data from previous years.

#### 5) Draw conclusions from the coded data

Conclusion step is here to draw relationships between the categories, identify patterns and give the summary to the main ideas. In other words, this step is to make inferences from the sample, which is a vital part of the definition of content analysis that was discussed at the beginning of this chapter.

#### 6) Report Findings

Qualitative content analysis is challenging when it comes to findings, the balance between description and interpretation is very important. The interpretation presented in the case of this research is a personal theoretical understanding of the sustainability disclosure phenomenon (Zhang & Wildemuth, 2009). To be precise the study is conducted solely by the researcher, therefore the obtained findings and their interpretations are in the hands of one person. The researcher in this case to avoid the subjectivity need to have strong knowledge on the matter and theoretical understanding of the concepts of sustainability and the drivers behind SR. To compensate for the lack of statistical significance, the data is displayed in the form of tables and graphs. The study has a comparative character, it refers to previously conducted research by Horváth and Pütter (2017). Therefore, to a certain extent, the current thesis is verifying existing theories and has a predetermined base for the content analysis. The next sub-chapter displays the findings of the content analysis and finishes up with a critical view on the work done.

### **3.3 Findings**

This part presents great value to the whole thesis as it draws the picture of the research that has been conducted on the state of sustainability disclosure in Ukrainian companies. Furthermore, it provides the content for the comparison with previous studies. To make the analysis clear and comparable, the categories under which the obtained information are

discussed, is structured similarly to those Horváth et al. (2017b) used in their work. There are 4 main categories: the SR form or the predominant type of SR among Ukrainian companies; the language used; the reporting standards; and finally, the focus of reports both in terms of the length of reports as well as the sustainability issues.

However, before going into analysis within specific categories, it should be stressed that this thesis has two dominant time focuses, one is years 2012/2013 to give cross-country comparison with Horváth and Pütter (2017) work on CEE countries, and the year 2017 to see an up-to-date picture. Therefore, the same sample of companies that published the sustainability information in 2012 or 2013 was used for the year 2017. In this way, I can ensure the reliability of the study and track the progress.

Out of 96 companies investigated, only 29 published sustainably reports or annual reports with a sustainability section. Out of this 29, 6 companies originate in Ukraine while the other 23 have head-quarters elsewhere in the world. Going further, only 4 companies with foreign ownership were included in the analysis because in their selected publications they emphasise operations in Ukraine; the rest 19 do not. Because the primary role of this thesis is to analyse sustainability disclosure in Ukraine and not markets of any other country, the main sample consists of 10 companies, that are summarised in Figure 5: 6 Ukrainian and 4 with foreign ownership.

*Figure 5: Final List of Sampled Ukrainian Companies*

Agrana*	ArcelorMittal*
Astarta	Carlsberg Ukraine*
DTEK	Evraz*
Metinvest	MHP
Naftogaz	Ukrenergo

\*companies with foreign ownership

*Source: Own work.*

From this number, it is clear that the amount of companies that issue sustainability reports is generally quite low. The same conclusion was reached for CEE countries (Horváth et al., 2017b). 8 out of 10 reports cover the results for 2013, only two companies issue reports every two years: Carlsberg 2012-2013 and Metinvest 2013-2014.

3.3.1 Sustainability Reporting Form

In 2012/2013, 60% of companies published stand-alone or integrated reports and 40% used other means of disclosure like an annual report. When compared to the CEE sample the result is opposite, 37% publish sustainability reports or integrated reports and around 63% of companies use other forms of SR. Such difference can be explained by the international market presence of the sampled companies and availability of resources to publish sustainability reports. Because all ten entities are big companies with international operations, therefore they tend to comply with international rules for reporting and have budget margins for sustainability initiatives (Hahn & Kühnen, 2013; Horváth et al., 2017b). The situation in 2017 compared to 2012/2013 about the same with one change, there was an increase to 70% of sustainability reports or intergrade reports published by Ukrainian companies. Horváth and Pütter (2017) admitted that there was inconsistency in the distribution of sustainability reports, some of the countries within the CEE sample have more sustainability reports and some less. According to findings, can be concluded that Ukraine is on the spectrum of countries in the CEE region that use more stand-alone or integrated reports as SR form.

On the question of similarities for both Ukraine and CEE countries, there is a small share of publishing only integrated reports. As it is evident from Table 6, this trend prevails for both time frames with a slight difference. In 2012/2013 only one company published an integrated report, compared to two in 2017. Although it is the case for the 10 companies, the initial list of 100 businesses in the country was reduced to 10% with sustainability information available. This low number indicates that Ukraine faces some challenges when it comes to sustainability disclosure.

Table 6: Sustainability Reporting Form Used Among Sampled Companies

<b>Company</b> <b>Year</b>	<b>2012/2013</b>	<b>2017</b>
Agrana*	Stand-alone	Integrated annual
ArcelorMittal*	Stand-alone	Stand-alone
Astarta	Stand-alone	Stand-alone
Carlsberg Ukraine*	Stand-alone	Stand-alone

(continues)

(continued)

<b>Company</b> <b>Year</b>	<b>2012/2013</b>	<b>2017</b>
DTEK	Integrated annual	Integrated annual
Evraz*	Annual	Annual
Metinvest	Stand-alone	Annual
MHP	Annual	Stand-alone
Naftogaz	Annual	Annual
Ukrenergo	Annual	Stand-alone

\*companies with foreign ownership

*Source: Agrana (2014); Agrana (2018); ArcelorMittal (2014); ArcelorMittal (2018); Astarta (2014); Astarta (2018); Carlsberg Ukraine (2014); Carlsberg Ukraine (2018); DTEK (2014); DTEK (2018); Evraz (2014); Evraz (2018); Metinvest (2015); Metinvest (2018); MHP (2014); MHP (2018); Naftogaz (2014); Naftogaz (2018); Ukrenergo (2014); Ukrenergo (2018).*

### 3.3.2 Language Used

For the majority companies the sustainability information can be found in English and national language: Ukrainian or Russian, the evidence can be found in Table 7. Results for the year 2012/2013 are next: 5 companies produce sustainability information in both languages (50%), 4 have it only in the national language (40%) and 1 company in English only (10%) and none have reports available in more than three identified languages. In the CEE sample, there were around the same number of reports that were published in the English language (42%) and both languages (37%), following by 19% disclosure in the national language (Horváth et al., 2017b). When comparing findings from my research and research on CEE countries, it seems that Ukrainian companies can partially relate to the CEE results. In particular with regards to disclosure in both languages, 50% of my sample and 37% of the CEE sample have sustainability material published in two languages. However, there are relatively more businesses in Ukraine that have reports only in the national language (40%) compare to 19% in Horváth et al. (2017b) study. It can be explained by the fact that Ukrainian companies prioritise local market by adapting the content of their reports to national requirements and in the same time see the opportunity in foreign markets as they try to appeal to different stakeholders. It is evident from the fact that 50% of the information is disclosed in both languages. CEE countries, on the other hand, operate in a bigger market and many of them are the part of EU which can be the reason for a low number of national reports (Horváth et al., 2017b).

When analysing the situation for the year 2017 the number and consequently the percentage of companies providing sustainability reports in both languages rose to 70%. Leaving 3

companies, that publish their reports only in one language either it is Ukrainian or Russian or just in English. Agrana is the company that for both time frames published reports only in English, the reason behind is that the nature of its business to supply to the international markets. The company has foreign ownership and focuses its operations mainly in WE rather than prioritising the Ukrainian market.

*Table 7: Language Used for Reports of Sampled Companies*

<b>Company</b> <b>Year</b>	<b>2012/2013</b>	<b>2017</b>
Agrana*	English	English
ArcelorMittal*	Russian	Both languages
Astarta	Ukrainian	Ukrainian
Carlsberg Ukraine*	Russian	Russian
DTEK	Both languages	Both languages
Evrax*	Both languages	Both languages
Metinvest	Russian	Both languages
MHP	Both languages	Both languages
Naftogaz	Both languages	Both languages
Ukrenergo	Both languages	Both languages

\*companies with foreign ownership

*Source: Agrana (2014); Agrana (2018); ArcelorMittal (2014); ArcelorMittal (2018); Astarta (2014); Astarta (2018); Carlsberg Ukraine (2014); Carlsberg Ukraine (2018); DTEK (2014); DTEK (2018); Evrax (2014); Evrax (2018); Metinvest (2015); Metinvest (2018); MHP (2014); MHP (2018); Naftogaz (2014); Naftogaz (2018); Ukrenergo (2014); Ukrenergo (2018).*

### 3.3.3 Reporting Standards

Table 8 below presents results on reporting standards that Ukrainian companies either adapt or not for their sustainability reports. Chapter 1 of this thesis discussed the existence of guidelines from certain organisations that helps businesses structure and align their sustainability disclosure. For my study 6 out of 10 companies (60%) report in according with standards, correspondently in CEE region 68% of companies willing to use standards for their SR practices. Those results indicate that reporting standards findings are approximately the same when comparing Horváth et al. (2017b) results and this research. One more similarity between the two studies is the predominant standard practice used, both CEE and Ukrainian companies choose to follow GRI guidelines for their sustainability reports.

Table 8: Reporting Standards in Reports of Sampled Companies

<b>Company</b> <b>Year</b>	<b>2012/2013</b>	<b>2017</b>
Agrana*	Yes	Yes
ArcelorMittal*	Yes	Yes
Astarta	Yes	Yes
Carlsberg Ukraine*	No	Yes
DTEK	Yes	Yes
Evrax*	No	No
Metinvest	Yes	No
MHP	Yes	Yes
Naftogaz	No	Yes
Ukrenergo	No	Yes

\*companies with foreign ownership

*Source: Agrana (2014); Agrana (2018); ArcelorMittal (2014); ArcelorMittal (2018); Astarta (2014); Astarta (2018); Carlsberg Ukraine (2014); Carlsberg Ukraine (2018); DTEK (2014); DTEK (2018); Evrax (2014); Evrax (2018); Metinvest (2015); Metinvest (2018); MHP (2014); MHP (2018); Naftogaz (2014); Naftogaz (2018); Ukrenergo (2014); Ukrenergo (2018).*

When assessing the recent situation, there is an increase in the number of companies that adopt the standards compared to 2012/2013. The results show that 8 out of 10 (80%) businesses in the year 2017 published their sustainability information using reporting standards. It is a promising finding indicating that the business sector in Ukraine does consider SR as a beneficial practice and follows international trends. Although, it might be surprising development considering Kopp (2015) argument that in the CEE region pressure from government and NGOs is low, therefore, the probability to undertake the sustainability standards is low, too.

### 3.3.4 Focus of Reports

To do one more set of comparisons with findings on CEE countries, the reports were examined regarding the number of pages and identified sustainability issues to assess what sustainability focus the companies have. The first part will compare the length of the reports and the second part, which has a greater contribution to the topic of this thesis, will emphasise the disclosed sustainability issues.



## 1) Findings on the length of reports

This assessment aims to clarify if the reports, in general, are strategic summary on sustainability issues or due to big volume spread their attention and include other information in their disclosure. The average length of reports in my study is slightly higher than Horváth et al. (2017b) results, 89 pages compare to 106 pages. It can be explained by the big discrepancy in the number of pages each company publish that graphically presented in Table 9. For example, DTEK's sustainability report in 2013 had 224 pages, when Astarta's report covered just 19 pages. This difference can indicate the versatile disclosure focus of companies. Apart from the reason mentioned before, there can be another explanation that annual reports with sustainability sections were included into analysis, those tend to have on average more pages compare to stand-alone sustainability reports as they cover bigger volume of information. In the previous section under *SR Form*, it was uncovered that in period 2012/2013 four companies from my sample published annual reports. The situation in 2017 changed, the average number of pages increased to 133, but the number of annual reports published in this year went down to three compared to 2012/2013. Such findings can be an indication of a change of content as more information is being disclosed in the recent time frame than 4 years ago. Another explanation is linked to previously discussed finding on the increasing trend of using stand-alone or integrated reports and following international standards.

*Table 9: Length of Reports of Sampled Companies (in Pages)*

<b>Company</b> <b>Year</b>	<b>2012/2013</b>	<b>2017</b>
Agrana*	24	186
ArcelorMittal*	58	36
Astarta	19	44
Carlsberg Ukraine*	36	42
DTEK	224	146
Evraz*	220	272
Metinvest	84	116
MHP	84	131
Naftogaz	196	289

(continues)

(continued)

<b>Company</b> <b>Year</b>	<b>2012/2013</b>	<b>2017</b>
Ukrenergo	115	65
	106	133

\*companies with foreign ownership

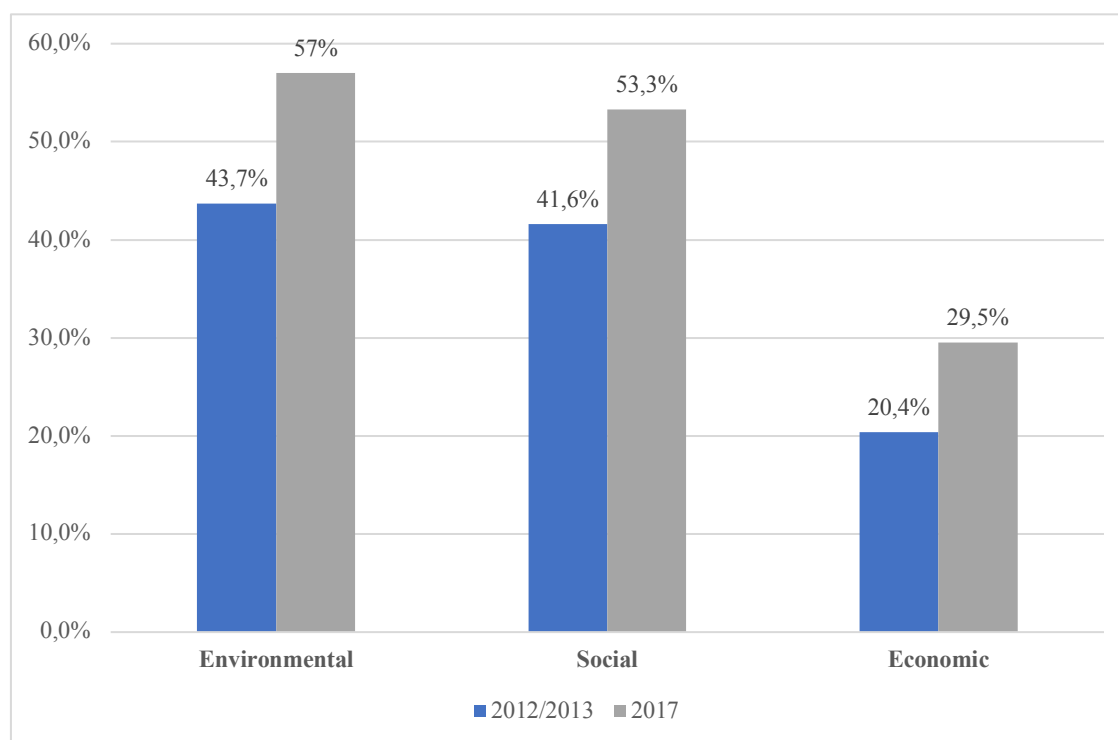
*Source: Agrana (2014); Agrana (2018); ArcelorMittal (2014); ArcelorMittal (2018); Astarta (2014); Astarta (2018); Carlsberg Ukraine (2014); Carlsberg Ukraine (2018); DTEK (2014); DTEK (2018); Evraz (2014); Evraz (2018); Metinvest (2015); Metinvest (2018); MHP (2014); MHP (2018); Naftogaz (2014); Naftogaz (2018); Ukrenergo (2014); Ukrenergo (2018).*

## 2) Findings on sustainability issues

There are two ways to look at the information derived from the content analysis regarding disclosure of sustainability issues and the focus of reports in this aspect. It can be done individually on each of the identified issues or by highlighting the overall focus within each of the three sustainability aspects: Environmental, Social and Economic. I will do both to exploit the content analysis methodology to the fullest and to see from the measuring scale (not disclosed (0), qualitative disclosed (1), quantitative cross-sectional disclosure (2) and quantitative longitudinal disclosure (3)) which sustainability issues have the most extensive information about and what seems to be the priority for companies in Ukraine.

When assessing the general focus, there are similarities between my study results and findings from the Horváth et al. (2017b) study in the CEE region. From Figure 6 that is located below and covers both time frames, it is clear that the top sustainability issues discussed in the reports are Environmental, following by Social and Economic. The identified hierarchy of disclosure for each category is the same as in Horváth et al. (2017b) study. It should be added that the findings aligned with results of other academics like Hartman, Rubin, and Dhanda (2007) that established that EU companies have a greater focus on environmental issues rather than social or economic. However, the main difference in comparison to CEE countries is that there is a smaller margin between Environmental and Social sustainability issues, it can be said that they have almost even weight in the reports of Ukrainian companies. In the year 2012/2013 43,7% of Environmental issues and 41,6% of Social issues were disclosed, it is clear that less than 2% difference makes both categories dominant. The Economic category is lacking the information and resulted in almost half of the top disclosed Environmental category, in the end, the findings are 20,4% compared to 43,7%.

Figure 6: Percentage of Sustainability Disclosure in Each Sustainability Category



Source: Own work.

Considering the comparison of the state of disclosure in each category done between two years, the general picture is the same but the level of it increased in 2017. For example, from Figure 6 it is evident that the gap between disclosure for the most disclosed Environmental category between two time focuses is more than 10%. According to my analysis in 2017, 57% of information was disclosed under the Environmental category, when in 2012/2013 the number was 43,7%. There is also an improvement in the Economic category, the results rose from 20,4% to 29,5 %. It is an indication that the companies in 2017 compare to 2012/2013 concerned more about the content of sustainability information. It goes together with findings on the increased rate of stand-alone and integrated sustainability reports because in this way companies indicate greater attention to sustainability disclosure. It should be added that Horváth et al. (2017b) clarified that it was initially their expectation in the study of CEE countries as economic and financial information mainly provided in annual reports. Even though my research included a couple of annual reports it did not change the fact that the economic sustainability issues are least disclosed.

As mentioned before, there is another way to approach the information derived from the content analysis of reports with regard to the focus of Ukrainian companies. Tables 10 and 11 show the total quality of disclosure for each individual sustainability issue across all 10 companies and the maximum score based on that is 30. When the logic behind Tables 12 and 13 is to calculate the number of times the issue was exposed to each component of the proposed measuring scale, with the maximum occurrence of 10 times. It means that it can

give a comprehensive overview of what kind of sustainable information was disclosed. In particular, the character of information – qualitative or quantitative, or a combination of both.

The top disclosed issues in 2012/2013 across 24 sustainability issues listed are the **employee health and safety (22)** and their **education and training (21)**, those are the disclosures that fall under the Social category. The graphical representation of the list can be found in Table 10. In the Environmental category, there are three dominant issues: **energy consumption (20)**, **waste (20)** and **emissions (18)**, leaving with Economic disclosures that score the lowest. The most disclosed issues in that category are **anti-corruption initiatives (13)** and **communication of sustainability principles (11)**. These trends were observed throughout all companies included in the study.

*Table 10: Top Sustainability Issues Across Ten Ukrainian Companies in 2012/2013*

Sustainability Issue	Total Score for the Quality of Disclosure (max = 30 points)
<i>1) Employee health and safety</i>	22
<i>2) Employee education and training programs</i>	21
<i>3) Energy consumption</i>	20
<i>4) Waste by type and disposal</i>	20
<i>5) Emissions (of greenhouse gasses and harmful substances)</i>	18
<i>6) Communication/development of sustainability principles in the industry</i>	13
<i>7) Anti-corruption initiatives</i>	11

*Source: Own work.*

In 2017 reports, the picture is a little bit different from what was observed in 2012/2013. As can be seen from Table 11, there are more sustainability issues in the top list compared to the year 2012/2013. It shows that there are more issues that are relevant for the companies in recent years compare to the past. The leading issue is still **employee health and safety (28)** which is the part of Social category, but **employee education and training (22)** dropped its positions in the general list. However, we can observe the trend that the weight of the total quality of disclosure for individual sustainability issue grew. For example, now the top issue has a weight of 28 points compared to 22 in 2012/2013 and approaching the

maximum available score of 30. It shows that the recent reports have wider content which includes both qualitative and quantitative data. There is also a slight change across the top Environmental sustainability issues, which are **energy (25)**, **waste (25)** and **water consumption (24)** are now on top in this category. **Direct economic value generated and distributed (13)** became the second most disclosed sustainability issue in Economic category for 2017. The mentioned issue represents how an organisation create wealth for its stakeholders, disclosing certain data like revenues, operating costs, employee wages and benefits, etc. (GRI, 2019). It is one of the main issues for signalling the economic sustainability, even though the score compared to the top score is low it is still a good indication that Ukrainian companies aware of the matter and some of them do deliver the message through their reports.

*Table 11: Top Sustainability Issues Across Ten Ukrainian Companies in 2017*

Sustainability Issue	Total Score for the Quality of Disclosure (max = 30 points)
1) <i>Employee health and safety</i>	28
2) <i>Energy consumption</i>	25
3) <i>Waste by type and disposal method</i>	25
4) <i>Water consumption</i>	24
5) <i>Employee education and training programs</i>	22
6) <i>Diversity and equal opportunities for employees</i>	22
7) <i>Communication/development of sustainability principles in the industry</i>	14
8) <i>Direct economic value generated and distributed</i>	13
9) <i>Anti-corruption initiatives</i>	12

*Source: Own work.*

Previously, the findings were discussed on the base of which sustainability issues among my sample were disclosed the most with no regard to the type of information the companies published. In this part of findings, there are sustainability issues within each category that have more content on them than others, therefore the selected methodology allows to give a detailed description on the type of information on each issue disclosed by

companies and draw general conclusions. The detailed overview of results for 2012/2013 presented in Table 12 and on findings in 2017 in Table 13 with the number of times the issue was mentioned in the assessed reports.

On one side of the spectrum, there are sustainability issues that have no mentioning in the assessed reports. In Table 12 and Table 13 the second column presents the findings for those issues that were not disclosed. When analysing material from the year 2012/2013 those are **sustainable suppliers, product and service labelling, local hiring, locally based suppliers** and **fair trade involvement**. The maximum score, in this case, is 9 out of 10 possible, which means that this is the number of companies that have no disclosure on the mentioned sustainability issues in their published sustainability materials. Those findings signalling that there is a lack of information for certain issues and companies are selective in what to publish. The year 2017 have similar results on what was observed in 2012/2013 with regard to least disclosed topics. Some sustainability issues even though still are not mentioned enough but advanced in the amount and type of information published on them. In particular, **local hiring** and **locally based suppliers** were not mentioned in the reports from 2017 of 6 and 5 companies respectively when in 2012/2013 the result was 9 companies for both sustainability issues. The same trend can be observed concerning **sustainable suppliers**, the number of companies that do not disclose this issue dropped from 9 in 2012/2013 to 5 in 2017. From the observations above it is clear that the informational gap on certain topics is remaining but showed improvement for the past years.

There are a couple of assumptions that can explain why those are sustainability issues that were not disclosed within my sample. Important to say that depending on the company circumstances certain issues might not be disclosed due to irrelevance. For example, in the analysis of Ukrainian company DTEK, the issues like **local hiring** and **locally-based suppliers** were not acknowledged because the company does not relate to these issues due to the fact that they conduct their main business activities primarily in Ukraine. Another aspect is that some issues do not resonate with the industry the company operates and its business scope. A good illustration of this observation is the **product and service labelling** which is irrelevant for the energy industry. It reflects in my findings because three out of ten companies from the sample are in energy business: DTEK, Ukrenergo and Naftogaz. Related to this issue, the only thing that the company can do is to notify customers about risks related to electricity consumption.

On the other side of the spectrum, there are most mentioned sustainability issues that can be defined as those that have extensive information on them and in the line of my study, it is the ones that publish both qualitative and quantitative information with reference from previous years. Those results presented in the last column in Table 12 and Table 13. For 2012/2013 within my sample, the sustainability issues: **water consumption, waste by type and disposal method, employee health and safety** are the most disclosed with half of the sample provided a quantitative longitudinal type of information. It should be added that compare to least disclosed, the maximum score for identifying the most disclosed

sustainability issue is 5. **Emissions and energy consumption** can also be considered in the list as they have that type of information disclosed in 4 companies out of 10. The findings for the year 2017 exhibit the same trends than in 2012/2013. It should be noted in the same manner as in the previous part of findings there is an improvement in the type of information disclosed. For instance, the top issues remained the same but the number of companies that publish that kind of information increased. The illustration for this finding can be the environmental sustainability issues such as **water consumption** and **waste by type and disposal method** that have a higher level of disclosure in 8 companies compare to 5 in 2012/2013.

To sum up, the issues with greater disclosure are in most cases from environmental category apart from **employee health and safety** which is the part of social category. It reflects the idea that sustainability reporting is affected by regulations and driven by the desire of companies to gain legitimacy among stakeholders which includes the government (Gray, Kouhy, & Lavers, 1995; Marquis, Toffel, & Zhou, 2016). In particular, the identified sustainability issues are exactly those that covered by regulations and laws the most. The coverage includes Environmental Policy Strategy, Environmental Tax Policy and Labour Law. Another explanation can be based on the fact that businesses that operate in high environmental and social impact sectors such as mining or energy (60% of my sample) tend to give greater attention to employee health and safety and most of the environmental information. Therefore, the findings confirm that sustainability disclosure depends on the industry the company operates in (Hahn & Kühnen, 2013; Neu, Warsame, & Pedwell, 1998).

*Table 12: Quality of Disclosure of Individual Sustainability Issues in Ten Ukrainian Companies in 2012/2013*

<b>Sustainability Issue</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
Material use (reduce-reuse- recycle)	5	3	2	0
Water Consumption	3	2	0	5
Emissions (of greenhouse gasses and harmful substances)	2	2	2	4
Energy consumption	1	2	3	4
Use of renewable resources and energy	5	2	2	1

(continues)

(continued)

<b>Sustainability Issue</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
Sustainable products	2	7	1	0
Sustainable suppliers	9	1	0	0
Waste by type and disposal method	1	3	1	5
Initiatives to mitigate environmental issues	0	3	7	0
Employee education and training programs	0	2	5	3
Employee absenteeism, net turnover	5	1	1	3
Diversity and equal opportunities for employees	1	2	5	2
Customer health and safety	7	2	1	0
Employee health and safety	0	3	2	5
Participation in local community	2	2	5	1
Human rights positions	5	4	1	0
Product and Service libelling	8	2	0	0
Local hiring (sustaining local employment)	9	1	0	0
Locally-based suppliers (policy, practices and proportion)	9	0	1	0
Jobs created/retained within the company	7	0	3	0

(continues)



(continued)

<b>Sustainability Issue</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
Supporting/collaborating with the fair trade	9	1	0	0
Communication/development of sustainability principles in the industry	0	7	3	0
Direct economic value generated and distributed	6	1	1	2
Anti-corruption initiatives	2	5	3	0

*Source: Own work.*

*Table 13: Quality of Disclosure of Individual Sustainability Issues in Ten Ukrainian Companies in 2017*

<b>Sustainability Issue</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
Material use (reduce-reuse- recycle)	2	2	4	2
Water Consumption	2	0	0	8
Emissions (of greenhouse gasses and harmful substances)	2	1	1	6
Energy consumption	1	0	2	7
Use of renewable resources and energy	3	1	3	3
Sustainable products	2	8	0	0
Sustainable suppliers	5	4	1	0

(continues)

(continued)

<b>Sustainability Issue</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
Waste by type and disposal method	1	1	0	8
Initiatives to mitigate environmental issues	1	4	5	0
Employee education and training programs	0	1	6	3
Employee absenteeism, net turnover	1	1	4	4
Diversity and equal opportunities for employees	1	1	3	5
Customer health and safety	5	4	1	0
Employee health and safety	0	1	0	9
Participation in local community	2	0	4	4
Human rights positions	5	4	1	0
Product and Service libelling	8	1	1	0
Local hiring (sustaining local employment)	6	2	2	0
Locally-based suppliers (policy, practices and proportion)	5	2	3	0
Jobs created/retained within the company	7	0	3	0
Supporting/collaborating with the fair trade	7	3	0	0
Communication/development of sustainability principles in the industry	0	6	4	0

(continues)

(continued)

Sustainability Issue	0	1	2	3
Direct economic value generated and distributed	5	0	2	3
Anti-corruption initiatives	3	4	1	2

*Source: Own work.*

Above were discussed individual issues on both sides of the spectrum: the least and the most disclosed. However, the intermediate results for remaining sustainability issues can be interpreted from the conducted content analysis. In 2012/2013 themes such as **initiatives to mitigate environmental issues, communication/development of sustainability principles in the industry, anti-corruption initiatives** were disclosed in the way that certain conclusions can be drawn related to my study. Those sustainability issues can be grouped as the issues that give an overview of sustainability policy in the company. The research showed that even though the reports mentioned the existence of the policy they are lacking specificity in targets. In other words, there is not enough quantitative information. Those findings supported by recent research by Alliances for Corporate Transparency Project (2019) that reached the same conclusion. Although the **initiatives to mitigate environmental issues** disclosed among 7 companies that provided quantitative data, the **communication/development of sustainability principles in the industry** and **anti-corruption initiatives** issues have only qualitative information in the reports of 7 and 5 companies respectively. This finding partially confirms that companies do fail to provide wider information on their sustainability policies. The results from reports in 2017 are very similar and support the earlier findings, there is more qualitative material on **communication/development of sustainability principles in the industry** and **anti-corruption initiatives** disclosures with slight improvement towards quantitative content. However, the same logic could not be applied to **initiatives to mitigate environmental issues**, the quality of information disclosed decreased and now instead of 7 companies, only 5 disclose quantitative information about this sustainability issue.

Previous results were structured in accordance with the sub-categories but there are some general observations that can help to answer the research question. The study allows to analyse the variations among the companies from my sample by ranking them and with its help to show what is the difference in sustainability disclosure among Ukrainian companies. The findings presented further in Table 14 and Table 15 are drawn from Appendix 3 and Appendix 4 and summarise which out of 10 companies perform well with regard to their sustainability practices and which are lagging behind. The assessment helps not only to identify businesses with high and low performances but enables to conclude what practices other companies need to look up to in the corporate sustainability disclosure. The highest

quality of disclosure for both years of analysis has steel manufacture ArcelorMittal\*, the company score improved from 40 points in 2012/2013 to 51 in 2017. It is also should be added that ArcelorMittal\* showed consistency in disclosure throughout three aspects of sustainability, the company's mean number in each category was approximately the same: the environmental category scored 2,4, the social 2 and 1,9 the economic.

Although the maximum possible score was 72 points and none of the companies achieved it, but there is a notable improvement in the disclosure for the past years in general and some business in particular. In 2012/2013 company MHP with a result of 11 points had the worst quality of disclosure out of the ten Ukrainian companies but became the second top in 2017. The opposite situation happened to Metinvest that in 2012/2013 was the third-best company but in 2017 only score 17 points and was placed the last as a business with the lowest sustainability disclosure. It can be explained by the sustainability material that was used in the analysis. Metinvest did not produce a stand-alone report in 2017 but had one in 2012/2013 when in the case of MHP the annual report was the source of sustainability information in 2012/2013 but by the year 2017, the company published a stand-alone report with broader sustainability material according to my study. To sum up, in my sample some businesses did not perform well and got a low score in the conducted content analysis but there is an increasing trend of improvement of the quality of sustainability disclosure which partially depends if companies invest in publishing stand-alone or integrated sustainability reports. The top performer ArcelorMittal\* exhibited the consistency and progress in its corporate sustainability and should be exemplary for other businesses on how to structure its sustainability policy and report on it.

*Table 14: Rank of Ten Ukrainian Companies Based on Their Overall Sustainability Disclosure in 2012/2013*

<b>Company</b>	<b>Overall Quality of Disclosure (max = 72 points)</b>
ArcelorMittal*	40
DTEK	34
Metinvest	34
Carlsberg Ukraine*	30
Agrana*	27
Evrax*	23
Ukrenergo	21
Astarta	21
Naftogaz	20

(continues)

(continued)

<b>Company</b>	<b>Overall Quality of Disclosure (max = 72 points)</b>
MHP	11

\*companies with foreign ownership

*Source: Own work.*

*Table 15: Rank of Ten Ukrainian Companies Based on Their Overall Sustainability Disclosure in 2017*

<b>Company</b>	<b>Overall Quality of Disclosure (max = 72 points)</b>
ArcelorMittal*	51
MHP	47
DTEK	38
Naftogaz	36
Agrana*	36
Evraz*	33
Astarta	32
Carlsberg Ukraine*	29
Ukrenergo	25
Metinvest	17

\*companies with foreign ownership

*Source: Own work.*

While conducting the content analysis it became clear that every company has different goals for its development which reflect in sustainability reports and influence the material that published. In other words, the information varies depending not only on the industry that the company operates in but also on its objectives and goals. It was mentioned before that companies that conduct its business in industries that have a big impact on environment tend to disclose more on those issues but the content is also predetermined by the objectives that business has (Alliances for Corporate Transparency Project, 2019; Hahn & Kühnen, 2013). When assessing the reports of certain companies from my sample it became clear that sustainability focus varies from one to another. Even though the environmental information is the priority throughout all businesses but for example if to have a closer look at the results for company Naftogaz, the company stress the importance of social issues and in particular

their relationships with employees. The result is relevant for both time frames and in 2012/2013 the mean number of the environmental disclosure was 0,8 when social 1,1. In 2017 social category was still more disclosed with a mean of 1,8 compare to environmental 1,7. I took the mean number, in this case, to make the results comparable because there is an uneven number of sustainability issues in each category. Therefore, it is fair to say that until sustainability disclosure becomes compulsory as a financial reporting the companies will be selective on which kind of information to publish based on many factors like their operations and its main stakeholders.

Another observation is that even though the findings from my research were partially supported by the results from the CEE sample some aspects signal that companies experience difficulties when it comes to sustainability disclosure. The initial list of 100 businesses in Ukraine was reduced to 10% of companies with sustainability information available. This low number indicates a lack of awareness on sustainability topic in the corporate sector in the country and also low accessibility to sustainable information in form of reports. One of the reasons behind of lack of sustainability disclosure is country-specific factors like institutions, regulations and culture. The practice is seen by management as time and budget consuming rather than the possibility to engage in dialogue with stakeholders (Horváth & Pütter, 2017). As was discussed before Ukraine is in the process of its development and there are problems on the national level that impact directly sustainability and awareness, that can be supported by findings of my study and a low number of top companies that have sustainability reports.

In addition, there is a difficulty to get the sustainability corporate information. The challenge I faced conducting the research was related to the ability to access the sustainability publications in the form of reports. In the cases of an initial list of 100 companies that were analysed the information was either absent or navigation was not straightforward through the web-pages of those companies. It became a warning call when some big national well-known companies did not have access to any of their information. For example, a leading manufacturer of confectionery products in Ukraine Roshen which is placed 38<sup>th</sup> in the list of Top Ukrainian companies based on financial performances (Visnyk, 2017) did not have any publication on their web-page available for analysis, neither annual reports nor sustainability reports were found. The finding is surprising considering that the company is an exemplary national business with a good reputation among consumers. This finding goes in hand with the previous mentioning of a low number of companies with sustainability reports, the problem lies in the core that information that should be in free access to stakeholders is not available. And it is the case among big firms that are the one that set the trends in the corporate sector and influence the awareness of consumers.

When assessing the general picture, the research indicates that SR practices are still at an early stage of development in Ukraine. The next chapter will elevate the discussion and draw the recommendations for managers based on the findings of this chapter to help the corporate sector in Ukraine to up their game in sustainability.

## **4 DISCUSSION**

### **4.1 Recommendations for managers**

In order for a business to survive and become resilient, it needs to anticipate the disruptive new trends in the market, which include climate changes, new technologies, structural economic shifts, or pandemic. The changes should occur around sustainability strategies - instead of advocating for further integration of sustainability into corporate or business strategies, sustainability should become a strategy itself. In other words, to succeed, businesses need to take sustainability as their foundation and not ignore the advantages that strategy can bring in form of loyal customers, more aware investors and the positive impact on the community in general (Taylor, 2018). Therefore, there are several general recommendations to Ukrainian managers based on an analysis of sustainability disclosure in this thesis.

Throughout the course of this work, the arguments were that sustainability is an important issue for corporations with all three aspects it comprises, environmental, social and economic. Consequently, one of the general recommendations to the companies is if they already contribute resources to sustainability disclosure they might do it properly with clearly articulated organisation's risks, policies, strategies and performances to all stakeholders (Deloitte, 2016). The findings of this thesis indicate that there are undisclosed gaps that need to be filled, in the form of providing more extensive information on certain sustainability issues and balance out the information disclosed for each sustainability category. There were a couple of sustainability issues mentioned that have no information in the reports, therefore, more resources can be allocated in the research of those important issues to provide stakeholders with a greater quality of sustainability information. Companies need to disclose more content on economic issues, even though many argue that economic issues are covered by financial or annual reports. There are topics that financial reports ignore but are very important for economic sustainability, for example, anti-corruption initiatives or local employment. The suggestion is for managers to gather more content on sustainability issues mentioned earlier or those that were identified as undisclosed in my thesis, like sustainable suppliers or product and service labelling.

Another aspect that managers can contribute to is the sustainability awareness. This aspect is partially linked with the previous recommendation on the content of the sustainability reports or in general sustainability information the companies share. Managers have a mission to educate stakeholders, in particular, other businesses or consumers on the importance and relevance of sustainability issues. Therefore, it is important to build the understanding that the process of reporting is integral to the long-term strategic goals of companies. This can be done through simple communication and innovative approaches (Johnson, 2015). Communication is key for raising awareness, thus businesses can consult main stakeholders on what information is important and in priority to them. Then using the acquired knowledge, the company can publish the content that consists of relevant

sustainability information. Additionally, in the perfect scenario, this material should be used as a base for the content of sustainability reports or integrated reports, however, if the company has not enough resources it can publish sustainability information on corporate web pages which will give a great level of exposure and influence the awareness.

This leads to another recommendation that is linked to access to sustainability information. The companies need to see their corporate web-pages as the communication portal with stakeholders and the means to influence their reputation. In other words, there should be more emphasis on the quality of information transmitted through those web-pages and more resources dedicated to it. Furthermore, clear navigation on the web pages to access the sustainability information would be a great beginning for developing sustainability awareness in countries like Ukraine. This conclusion was reached based on the challenges that this research encountered, there were problems with accessing the information and navigating through corporate web-pages. The web pages should not only emphasise the social activity of the company but underline other sustainability issues like human rights, labour relations such as average salary and environmental policies.

## **4.2 Main contribution**

For this thesis, it was important to mark Ukraine on the map the sustainability reporting research and analyse the quality of sustainability disclosure in the country. In addition to comparative findings of content analysis of selected companies to the CEE sample, the study gave an overview of the current situation in sustainability disclosure.

The study confirmed many similarities with results in the CEE region but also found some differences. However, the biggest contribution of this work is the novelty of the topic, as there were not that many empirical findings on sustainability disclosure in Ukraine. The conducted content analysis not only allowed to analyse the technical aspects of the reports on length or language used but also gave an extensive overview on patterns among the sustainability issues and topics in the reports that help to draw the recommendations to managers to make the content of SR more efficient and improve the communication with their stakeholders.

In the future, the extension of the research can concentrate on answering the question on why Ukrainian companies disclose certain sustainability information in a similar manner as Horváth and Pütter (2017) done in the second part of their research on CEE and WE countries. Additionally, the analysis was conducted solely on sustainability reports or annual reports that have a share of sustainability information. Further research can be expanded to the web analysis as there is a trend in integrating the sustainability information into web pages.



### **4.3 Research limitations**

Even though the conducted study brings value to the topic of sustainability disclosure, it is important to acknowledge the limitations of the research. Because the research findings mostly based on qualitative method there are some drawbacks.

First of all, the analysis included only sustainability reports and annual reports as a form of sustainability disclosure from top companies in Ukraine. This said it can affect the generalisation of the study, implying that findings cannot be applied to the medium or smaller firms (Rasche & Esser, 2006). The problem with the approach is in the allocation of resources, top companies that are in general big firms or multinationals have enough funds and research power to dedicate to sustainability disclosure. Hahn and Kühnen (2013) claim that company size affects sustainability reporting in the way that bigger companies will provide more extensive information than their smaller counterparts. Small and medium business publish fewer sustainability reports due to high cost, as they contribute significantly to the economy and have social and environmental influences it is important for the future research to involve these companies in the study (Herzig & Schaltegger, 2006).

Another challenge related to the sample in my study is that it is relatively small in size. On the one hand, it can be said that such fact influences the variability and representation of the sample. However, on the other hand, the sample was carefully selected and reflect the reality of the sustainability disclosure in Ukraine. Companies happened to be from certain business sectors such as from mining, energy sector or agriculture which reflects the Ukrainian reality. Chapter 2 highlighted the socio-economic factors of the country and mentioned that the main industries for Ukraine are natural resources and agriculture.

## **CONCLUSION**

This thesis was set to analyse sustainability disclosure in Ukrainian companies and to enable cross-country comparison with Horváth and Pütter (2017) research on CEE countries considering two sets of reports 2012/2013 and the year 2017 to see up-to-date picture. The topic was picked in the light of pressing sustainability matters and the role of corporations in it. This also helped to direct the vector of analysis towards the rising issue of SR. Even though there were recognised the number of academic works on SR that identified country or region differences in reporting practices (Adams, Hill, & Roberts, 1998; Fifka, 2011; Halme & Huse, 1997; Horváth & Pütter, 2017; Horváth et al., 2017a), Ukraine is remaining under-researched. Therefore, this work aimed to answer three main research questions: 1) What are the practices of SR disclosure in Ukraine? 2) What do companies currently disclose, and what are the variations between companies? 3) What are the differences compared to the research done in CEE countries? with the help of widespread research technique in this area of study - the content analysis.

In the consideration of Horváth and Pütter (2017) findings and the theoretical backdrop of legitimacy and stakeholder theory, the key findings of this master thesis shall be presented in the following.

Firstly, in the course of the analysis it was evident that the sustainability disclosure is in the developing stage in Ukraine, only 10 companies out of the list of top 100 met the requirements for this research. However, there is an improving trend throughout the years when by 2018 more than half of the sample published either integrated or stand-alone reports in at least two languages – the national and English.

Secondly, SR acceptance continues to increase worldwide but practices remaining limited. The study identified imbalances in the information that companies disclosed, mainly they devote a majority of their SR to environmental issues following by social and economic are completely left neglected. The research allowed also to look at the specific sustainability issues within each category and in general, the findings confirmed the hierarchy of issues. The common feature among Ukrainian companies is that they see mainly sustainability as disclosure on environmental issues like energy consumption, waste disposal and water consumption and less on others, the exception is the social issue on health and safety.

Thirdly, the general trend that was identified comparing analysis of Ukrainian companies and CEE countries that there are both similarities and differences that can be explained by the country-specific features, that include economic development and perception of the society of sustainability issues. The main differences when summarising the findings between CEE countries and Ukraine are that Ukrainian companies publish more stand-alone or integrated reports and more of them have their sustainability material in the national language. Additionally, the length of the reports compare to the CEE companies is longer. The common features of both studies are that relatively the same amount of companies use sustainability standards and predominantly it is GRI. The top disclosed category is Environmental with its sustainability issues, but in my study, there is a smaller margin between Environmental and Social categories. The similarity is also in the least disclosed sustainability issues and those are from Economic category for both studies.

It is fair to conclude that at large the 2017 sustainability disclosure in Ukraine advanced in comparison to 2012/2013. The positive changes can be observed in things like the number of sustainability reports published and volume of information. Most importantly, there is an improvement in the content of the reports and sustainability information in particular. These changes indicate that Ukraine is accelerating to get to the practices of CEE countries. However, there are still challenges that need to be tackled that were raised in the Recommendations for managers part together with more academic research conducted.

## REFERENCE LIST

1. Adams, C. A. (2002). Internal organisational factors influencing corporate social and ethical reporting: Beyond current theorising. *Accounting, Auditing & Accountability Journal*, 15(2), 223-250.
2. Adams, C. A. & Harte, G. (1998). The changing portrayal of the employment of women in British banks' and retail companies' corporate annual reports. *Accounting, Organizations and Society*, 23(8), 781-812.
3. Adams, C. A., Hill, W. Y. & Roberts, C. B. (1998). Corporate social reporting practices in Western Europe: legitimating corporate behaviour? *The British accounting review*, 30(1), 1-21.
4. Agrana. (2014). *Results and Responsibility*. Retrieved July 5, 2018 from [https://www.agrana.com/fileadmin/inhalte/agrana\\_group/downloads/Rondo\\_on\\_Sustainability\\_E.pdf](https://www.agrana.com/fileadmin/inhalte/agrana_group/downloads/Rondo_on_Sustainability_E.pdf)
5. Agrana. (2018). *Strong and Profitable: Integrated Annual Report 2017/18*. Retrieved July 5, 2018 from [https://www.agrana.com/fileadmin/inhalte/agrana\\_group/annual\\_reports/2017\\_18/AGRANA\\_Annual\\_Report\\_2017\\_18\\_EN\\_WEB.pdf](https://www.agrana.com/fileadmin/inhalte/agrana_group/annual_reports/2017_18/AGRANA_Annual_Report_2017_18_EN_WEB.pdf)
6. Al-Naber, H. M. F., Slenzak, A., Stranadko, N., Tykhyy, V., Sulukhia, T., Lvovsky, K., ... & Ahmed, K. (2016). Ukraine - Country Environmental Analysis. *World Bank Group*. Retrieved August 12, 2018 from <http://documents.worldbank.org/curated/en/327881470142199866/Ukraine-Country-environmental-analysis>
7. Alliances for Corporate Transparency Project. (2019). *2018 Research Report*. Retrieved September 20, 2019 from [http://allianceforcorporatetransparency.org/assets/2018\\_Research\\_Report\\_Alliance\\_Corporate\\_Transparency-66d0af6a05f153119e7cffe6df2f11b094affe9aaf4b13ae14db04e395c54a84.pdf](http://allianceforcorporatetransparency.org/assets/2018_Research_Report_Alliance_Corporate_Transparency-66d0af6a05f153119e7cffe6df2f11b094affe9aaf4b13ae14db04e395c54a84.pdf)
8. Aras, G. & Crowther, D. (2009). Corporate sustainability reporting: a study in disingenuity?. *Journal of business ethics*, 87(1), 279.
9. ArcelorMittal. (2014). *Сталь для людей: Отчет о корпоративной ответственности ПАО "АрселорМиттал Кривой Рог" 2013*. Retrieved July 5, 2018 from [https://ukraine.arcelormittal.com/images/pdf/ArcelorMittal\\_CSR\\_Report\\_2013\\_ru.pdf](https://ukraine.arcelormittal.com/images/pdf/ArcelorMittal_CSR_Report_2013_ru.pdf)
10. ArcelorMittal. (2018). *Sustainability Report PJSC Arcelormittal Kryvyi Rih 2017*. Retrieved July 5, 2018 from [https://ukraine.arcelormittal.com/images/pdf/SD\\_report\\_ArcelorMittal\\_2017\\_eng.pdf](https://ukraine.arcelormittal.com/images/pdf/SD_report_ArcelorMittal_2017_eng.pdf)
11. Astarta. (2014). *Звіт про прогрес досягнутий у рамках виконання принципів ООН у 2013 році*. Retrieved July 5, 2018 from [https://s3-us-west-2.amazonaws.com/ungc-production/attachments/62181/original/2013\\_Astarta\\_Kyiv\\_Communication\\_on\\_Progress.pdf?1391200073](https://s3-us-west-2.amazonaws.com/ungc-production/attachments/62181/original/2013_Astarta_Kyiv_Communication_on_Progress.pdf?1391200073)
12. Astarta. (2018). *Звіт зі сталого розвитку 2017*. Retrieved July 5, 2018 from <https://astartaholding.com/files/uploads/b03bd607a87efcbf40403f1627c88d13.pdf>

13. Bebbington, J. (2001). Sustainable development: a review of the international development, business and accounting literature. *Accounting Forum*, 25(2), 128.
14. Beckmann, M., Hielscher, S. & Pies, I. (2014). Commitment strategies for sustainability: how business firms can transform trade-offs into win–win outcomes. *Business Strategy and the Environment*, 23(1), 18-37.
15. Berelson, B. (1952). *Content analysis in communication research*. New York: Free Press.
16. Berglöf, E., & Pajuste, A. (2005). What do firms disclose and why? Enforcing corporate governance and transparency in Central and Eastern Europe. *Oxford Review of Economic Policy*, 21(2), 178-197.
17. Bryman, A. & Bell, E. (2007). *Business Research Methods*. New York: Oxford University Press.
18. Buchholz, R. A. & Rosenthal, S. B. (2005). Toward a contemporary conceptual framework for stakeholder theory. *Journal of Business Ethics*, 58(1-3), 137-148.
19. Buhr, N. (2007). Histories of and rationales for sustainability reporting. In J. Unerman, J. Bebbington & B. O'Dwyer (Eds.), *Sustainability, accounting and accountability* (pp. 57-69). London: Routledge.
20. Cahan, S. F., De Villiers, C., Jeter, D. C., Naiker, V. & Van Staden, C. J. (2016). Are CSR disclosures value relevant? Cross-country evidence. *European Accounting Review*, 25(3), 579-611.
21. Campbell, D., Shrivess, P. & Bohmbach-Saager, H. (2001). Voluntary disclosure of mission statements in corporate annual reports: signaling what and to whom? *Business and society review*, 106(1), 65-87.
22. Carlsberg Ukraine. (2014). *2012-2013 Отчет по корпоративной социальной ответственности*. Retrieved July 5, 2018 from [https://carlsbergukraine.com/media/12801/carlsberg\\_csr\\_2013.pdf](https://carlsbergukraine.com/media/12801/carlsberg_csr_2013.pdf)
23. Carlsberg Ukraine. (2018). *Отчет об устойчивом развитии 2017*. Retrieved July 5, 2018 from <https://carlsbergukraine.com/media/29141/>
24. Carroll, A. B. (1991). The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders. *Business horizons*, 34(4), 39-48.
25. Cooper, D. (1980). Discussion of towards a political economy of accounting. *Accounting, Organizations and Society*, 5(1), 161-166.
26. Davis, K. (1973). The case for and against business assumption of social responsibilities. *Academy of Management Journal*, 16(2), 312-322.
27. Deegan, C. (2002). Introduction: The legitimising effect of social and environmental disclosures – a theoretical foundation. *Accounting, Auditing & Accountability Journal*, 15(3), 282–311.
28. Deegan, C. (2007). Organizational legitimacy as a motive for sustainability reporting. In J. Unerman, J. Bebbington & B. O'Dwyer (Eds.), *Sustainability accounting and accountability* (pp. 127–149). London: Routledge.
29. Deloitte. (2016). *Sustainability disclosure: Getting ahead of the curve*. Retrieved November 5, 2019 from

<https://www2.deloitte.com/content/dam/Deloitte/us/Documents/risk/us-risk-sustainability-disclosure.pdf>

30. Donaldson, T. & Preston, L. E. (1995). The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *Academy of Management Review*, 20(1), 65-91.
31. Dowling, J. & Pfeffer, J. (1975). Organizational legitimacy: Social values and organizational behavior. *Pacific Sociological Review*, 18(1), 122-136.
32. DTEK. (2014). *Efficiency. Sustainability. Integrated Report 2013*. Retrieved July 5, 2018 from [https://dtek.com/content/files/godovie\\_otchety\\_en/annual-report-2013-pdf-13-mb\\_1.pdf](https://dtek.com/content/files/godovie_otchety_en/annual-report-2013-pdf-13-mb_1.pdf)
33. DTEK. (2018). *Integrated Report 2017*. Retrieved July 5, 2018 from [https://dtek.com/content/files/111-dtek\\_ar\\_2017\\_eng.pdf](https://dtek.com/content/files/111-dtek_ar_2017_eng.pdf)
34. Eccles, R. G. & Krzus, M. P. (2010). *One report: Integrated reporting for a sustainable strategy*. New Jersey: John Wiley & Sons.
35. Elkington, J. (1997). *Cannibals with forks: the triple bottom line of twenty-first century business*. Oxford: Capstone.
36. Environmental Performance Index. (2018). *Ukraine*. Retrieved August 12, 2018 from <https://epi.envirocenter.yale.edu/epi-country-report/UKR>
37. Epstein, M. J. (1996). Improving environmental management with full environmental cost accounting. *Environmental Quality Management*, 6(1), 11-22.
38. Epstein, M. J. & Rejc Buhovac, A. (2014). *Making sustainability work: Best practices in managing and measuring corporate social, environmental, and economic impacts* (2<sup>nd</sup> ed.). San Francisco: Berrett-Koehler Publishers.
39. European Commission. (2011). *A renewed EU strategy 2011-14 for Corporate Social Responsibility*. Brussels: European Commission.
40. Evraz. (2014). *Strength. 2013 Annual Report & Accounts*. Retrieved July 5, 2018 from <https://www.evraz.com/upload/iblock/3f7/3f78a46fed0b97c73db33b6d1a153364.pdf>
41. Evraz. (2018). *Making the World Stronger. Annual Report & Accounts 2017*. Retrieved July 5, 2018 from [https://ar2017.evraz.com/download/full-reports/ar\\_en\\_annual-report\\_pages.pdf](https://ar2017.evraz.com/download/full-reports/ar_en_annual-report_pages.pdf)
42. Fasan, M. (2013). Annual reports, sustainability reports and integrated reports: Trends in corporate disclosure. In C. Busco, M. Frigo, A. Riccaboni & P. Quattrone (Eds.), *Integrated reporting* (pp. 41-57). Cham: Springer.
43. Fernandez-Feijoo, B., Romero, S., & Ruiz, S. (2014). Effect of stakeholders' pressure on transparency of sustainability reports within the GRI framework. *Journal of business ethics*, 122(1), 53-63.
44. Fifka, M. S. (2011). Corporate responsibility reporting and its determinants in comparative perspective – a review of the empirical literature and a meta-analysis. *Business strategy and the environment*, 22(1), 1-35.
45. Fortes, H. (2002). The need for environmental reporting by companies. *Greener Management International*, 40(1), 77-92.

46. Freedom House. (2018). Freedom of the Press 2017: Ukraine. Retrieved July 5, 2018 from <https://freedomhouse.org/report/freedom-press/2017/ukraine>
47. Freeman, R.E. (1984). Strategic Management: A Stakeholder Approach. Boston: Pitman.
48. Gray, R., Kouhy, R. & Lavers, S. (1995). Corporate social and environmental reporting: a review of the literature and a longitudinal study of UK disclosure. *Accounting, Auditing & Accountability Journal*, 8(2), 47-77.
49. Gray, R., Owen, D. & Maunders, K. T. (1987). *Corporate Social Reporting: Accounting and Accountability*. London: Prentice Hall International.
50. GRI. (2018). *About GRI*. Retrieved May 12, 2018 from <https://www.globalreporting.org/Information/about-gri/Pages/default.aspx>
51. GRI. (2019). *Consolidated set of GRI standards 2018*. Retrieved August 10, 2019 from <https://www.globalreporting.org/standards/gri-standards-download-center/consolidated-set-of-gri-standards/>
52. Griggs, D., Stafford-Smith, M., Gaffney, O., Rockström, J., Öhman, M. C., Shyamsundar, P., ... & Noble, I. (2013). Policy: Sustainable development goals for people and planet. *Nature*, 495(7441), 305-307.
53. Guthrie, J. & Parker, L. D. (1989). Corporate Social Reporting: A Rebuttal of Legitimacy Theory, Accounting and Business Research. *Accounting and Business Research*, 19(76), 343-352.
54. Hahn, R. & Kühnen, M. (2013). Determinants of sustainability reporting: a review of results, trends, theory, and opportunities in an expanding field of research. *Journal of cleaner production*, 59, 5-21.
55. Halme, M. & Huse, M. (1997). The influence of corporate governance, industry and country factors on environmental reporting. *Scandinavian journal of Management*, 13(2), 137-157.
56. Hart, S. L. (1995). A natural-resource-based view of the firm. *The Academy of Management Review*, 20(4), 986-1014.
57. Hartman, L.P., Rubin, R.S. & Dhandu, K.K. (2007). The Communication of Corporate Social Responsibility: United States and European Union Multinational Corporations. *Journal of Business Ethics*, 74(4), 373-389.
58. Herzig, C. & Schaltegger, S. (2006). Corporate sustainability reporting. An overview. In S. Schaltegger, M. Bennett & R. Burritt (Eds.) *Sustainability accounting and reporting* (pp. 301-324). Cham: Springer.
59. Holme, R. & Watts, P. (2000). *Corporate Social Responsibility: Making Good Business Sense*. Geneva: World Business Council for Sustainable Development.
60. Holsti, O. R. (1969). *Content Analysis for the Social Sciences and Humanities*. Reading, MA: Addison-Wesley Publishing.
61. Horváth P. & Pütter J. M. (eds). (2017). *Sustainability Reporting in Central and Eastern European Companies*. MIR Series in International Business. Cham: Springer.
62. Horváth, P., Pütter, J. M., Dagilienė, L., Dimante, D., Haldma, T., Kochalski, C., ... & Pakšiová, R. (2017a). Status quo and future development of sustainability reporting in

- Central and Eastern Europe. *Journal of East European Management Studies*, 22(2), 221-243.
63. Horváth, P., Pütter, J. M., Haldma, T., Lääts, K., Dimante, D., Dagilienė, L., ... & Labaš, D. (2017b). Sustainability Reporting in Central and Eastern European Companies: Results of an International and Empirical Study. In P. Horváth, & J. M. Pütter (Eds.), *Sustainability Reporting in Central and Eastern European Companies* (pp.11-49). MIR Series in International Business. Cham: Springer.
  64. Human Rights Watch. (2018). *Ukraine: Events of 2017*. Retrieved July 5, 2018 from <https://www.hrw.org/world-report/2018/country-chapters/ukraine>
  65. IMF. (2017). *Ukraine: Selected Issues*. Country Report. Retrieved July 5, 2018 from <http://www.imf.org/en/Publications/CR/Issues/2017/04/04/Ukraine-Selected-Issues-44799>
  66. Jamali, D. (2006). Insights into triple bottom line integration from a learning organization perspective. *Business Process Management Journal*, 12(6), 809-821.
  67. Jensen, J. C. & Berg, N. (2012). Determinants of traditional sustainability reporting versus integrated reporting. An institutionalist approach. *Business Strategy and the Environment*, 21(5), 299-316.
  68. Johnson, M. P. (2015). Sustainability management and small and medium-sized enterprises: Managers' awareness and implementation of innovative tools. *Corporate Social Responsibility and Environmental Management*, 22(5), 271-285.
  69. Kolk, A. (2004). A decade of sustainability reporting: developments and significance. *International Journal of Environment and Sustainable Development*, 3(1), 51-64.
  70. Kolk, A. (2008). Sustainability, accountability and corporate governance: exploring multinationals' reporting practices. *Business Strategy and the Environment*, 17(1), 1-15.
  71. Kopp, H. (2015). Corporate Social Responsibility in Modern Central and Eastern Europe. In K. Wendt (Eds.), *Responsible Investment Banking* (pp. 453-471). CSR, Sustainability, Ethics & Governance. Cham: Springer.
  72. KPMG. (2013). *The KPMG Survey of Corporate Responsibility Reporting 2013*. Retrieved May 3, 2018 from <https://assets.kpmg/content/dam/kpmg/pdf/2015/08/kpmg-survey-of-corporate-responsibility-reporting-2013.pdf>
  73. KPMG. (2017). *The KPMG Survey of Corporate Responsibility Reporting 2017*. Retrieved May 3, 2018 from <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2017/10/kpmg-survey-of-corporate-responsibility-reporting-2017.pdf>
  74. Krippendorff, K. (2004). *Content Analysis: An Introduction to Its Methodology*. Thousand Oaks, California: Sage.
  75. Kuzmin, O., Shpak, N. & Pyrog, O. (2016). Model of sustainable development of the national economy of Ukraine: assessment of current state and prospects of development. *ECONTECHMOD: An International Quarterly Journal on Economics of Technology and Modelling Processes*, 5(1), 43-50.

76. Lozano, R. (2013). Sustainability inter-linkages in reporting vindicated: a study of European companies. *Journal of Cleaner Production*, 51, 57-65.
77. Maignan, I. & Ralston, D. A. (2002). Corporate social responsibility in Europe and the US: Insights from businesses' self-presentations. *Journal of International Business Studies*, 33(3), 497-514.
78. Makarenko, I. (2017). STEEPLE-аналіз звітності зі сталого розвитку в Україні. *Вісник КНТЕУ*, (4), 54-65.
79. Marquis, C., Toffel, M. W. & Zhou, Y. (2016). Scrutiny, norms, and selective disclosure: A global study of greenwashing. *Organization Science*, 27(2), 483-504.
80. Marshall, C. & Rossman, G. B. (1999). *Designing qualitative research*. Thousand Oaks, California: Sage.
81. Mayring, P. (2004). Qualitative content analysis. In U. Flick, E. von Kardoff & I. Steinke (Eds.), *A companion to qualitative research* (pp. 266-270). Thousand Oaks, California: Sage.
82. Metinvest. (2015). *Крепча Сталі: Соціальний Отчет 2013-2014*. Retrieved July 5, 2018 from [https://metinvestholding.com/Content/Entities/Report/1/en/Social\\_Report\\_Metinvest\\_2013-2014.pdf](https://metinvestholding.com/Content/Entities/Report/1/en/Social_Report_Metinvest_2013-2014.pdf)
83. Metinvest. (2018). *Annual Report and Accounts 2017. New Horizons*. Retrieved July 5, 2018 from <https://metinvestholding.com/Content/Entities/Report/20/en/2017.pdf>
84. MHP. (2014). *Annual Report and Accounts 2013*. Retrieved July 5, 2018 from [https://www.mhp.com.ua/library/file/ar2013\\_1.pdf](https://www.mhp.com.ua/library/file/ar2013_1.pdf)
85. MHP. (2018). *Innovations for Sustainable Development. Non-financial Report 2017*. Retrieved July 5, 2018 from <https://www.mhp.com.ua/library/file/nfr-eng-semi-2906-2018.pdf>
86. Miller, T., Kim A. B. & Roberts, J. M. (2018). *2018 Index of Economic Freedom*. Washington, D.C.: The Heritage Foundation.
87. Milne, M. J. & Gray, R. (2013). W(h)ither ecology? The triple bottom line, the global reporting initiative, and corporate sustainability reporting. *Journal of Business Ethics*, 118(1), 13-29.
88. Naftogaz. (2014). *Naftogaz of Ukraine: Annual Report*. Retrieved July 5, 2018 from [http://www.naftogaz.com/files/Zvity/Naftogaz\\_Annual\\_Report\\_2014\\_engl.pdf](http://www.naftogaz.com/files/Zvity/Naftogaz_Annual_Report_2014_engl.pdf)
89. Naftogaz. (2018). *Historical Victory and the Beginning of Transformation. Annual Report 2017*. Retrieved July 5, 2018 from [http://www.naftogaz.com/files/Zvity/NAK\\_AnRep2017\\_EN.pdf](http://www.naftogaz.com/files/Zvity/NAK_AnRep2017_EN.pdf)
90. Neu, D., Warsame, H. & Pedwell, K. (1998). Managing public impressions: Environmental disclosures in annual reports. *Accounting, organizations and society*, 23(3), 265-282.
91. Neuendorf, K. A. (2002). *The content analysis guidebook*. Thousand Oaks, California: Sage.
92. Niskanen, J. & Nieminen, T. (2001). The objectivity of corporate environmental reporting: a study of Finnish listed firms' environmental disclosures. *Business strategy and the environment*, 10(1), 29-37.



93. Pedersen, E. R. G. (Ed.). (2015). *Corporate social responsibility*. Thousand Oaks, California: Sage.
94. Prieto-Carrón, M., Lund-Thomsen, P., Chan, A., Muro, A. & Bhushan, C. (2006). Critical perspectives on CSR and development: what we know, what we don't know, and what we need to know. *International Affairs*, 82(5), 977-987.
95. Quick, R. (2008). Voluntary sustainability reporting practices in Germany: a study on reporting quality. *Portuguese Journal of Accounting and Management*, 5(1), 7-35.
96. Rasche, A. & Esser, D. E. (2006). From stakeholder management to stakeholder accountability. *Journal of Business Ethics*, 65(3), 251-267.
97. Redclift, M. (2002). *Sustainable development: Exploring the contradictions*. London: Routledge.
98. Russo, M. V. & Fouts, P. A. (1997). A resource-based perspective on corporate environmental performance and profitability. *Academy of Management Journal*, 40(3), 534-559.
99. Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G. & Fuller, G. (2019). *Sustainable Development Report 2019*. New York: Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN).
100. Schreier, M. (2012). *Qualitative content analysis in practice*. Thousand Oaks, California: Sage.
101. Simnett, R. & Huggins, A. L. (2015). Integrated reporting and assurance: where can research add value? *Sustainability Accounting, Management and Policy Journal*, 6(1), 29-53.
102. Steurer, R. & Konrad, A. (2009). Business–society relations in Central-Eastern and Western Europe: How those who lead in sustainability reporting bridge the gap in corporate (social) responsibility. *Scandinavian Journal of Management*, 25(1), 23-36.
103. Stubbs, W., Higgins, C. & Milne, M. (2013). Why do companies not produce sustainability reports? *Business strategy and the environment*, 22(7), 456-470.
104. Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3), 571-610.
105. Taylor, A. (2018, February 2). *The era of stand-alone sustainability is over*. Retrieved January 5, 2019 from <https://www.greenbiz.com/article/era-stand-alone-sustainability-over>
106. The World Bank. (2018). *Ukraine*. The World Bank Data. Retrieved July 5, 2018 from <https://data.worldbank.org/country/ukraine?view=chart>
107. Tinker, A. M. (1980). Towards a political economy of accounting: an empirical illustration of the Cambridge controversies. *Accounting, Organizations and Society*, 5(1), 147-160.
108. Transparency International. (2018). *Ukraine*. Retrieved July 5, 2018 from <https://www.transparency.org/country/UKR>
109. Ukrenergo. (2014). *Annual Report 2013*. Retrieved July 5, 2018 from [https://ua.energy/wp-content/uploads/2016/12/Annual2013\\_Ukrenergo.pdf](https://ua.energy/wp-content/uploads/2016/12/Annual2013_Ukrenergo.pdf)

110. Ukrenergo. (2018). *Result of the first reforms. Sustainability Report 2017*. Retrieved July 5, 2018 from [https://ua.energy/wp-content/uploads/2018/07/UKRENERGO\\_NF\\_Report\\_2017\\_ENG.pdf](https://ua.energy/wp-content/uploads/2018/07/UKRENERGO_NF_Report_2017_ENG.pdf)
111. UNDP. (2019). *Sustainable Development Goals*. Retrieved June 5, 2019 from <https://www.undp.org/content/undp/en/home/sustainable-development-goals.html>
112. United Nations Global Compact. (2019). *The Ten Principles of the UN Global Compact*. Retrieved June 4, 2019 from <https://www.unglobalcompact.org/what-is-gc/mission/principles>
113. Van Wensen, K., Broer, W., Klein, J. & Knopf, J. (2011). *The state of play in sustainability reporting in the European Union*. Brussels: European Commission.
114. Visnyk. (2017). Топ 100 кращих компаній України за фінансовими показниками. *Вісник. Рейтинг*, (3-4), 28-37.
115. Von Neumann, J. & Morgenstern, O. (1944). *Theory of games and economic behavior*. 1st Ed. Princeton: Princeton University Press.
116. Vorobey V. (2005) Ukraine: In Search of National Identity. In A. Habisch, M. Wegner, R. Schmidpeter & J. Jonker (Eds.), *Corporate Social Responsibility Across Europe* (pp. 2019-231). Cham: Springer.
117. WCED. (1987). *Report of the World Commission on Environment and Development: Our common future*. United Nations. Retrieved August 15, 2019 from <https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf>
118. Willis, A. (2003). The role of the global reporting initiative's sustainability reporting guidelines in the social screening of investments. *Journal of Business Ethics*, 43(3), 233-237.
119. Woodward, D. G., Edwards, P. & Birkin, F. (1996). Organizational legitimacy and stakeholder information provision. *British Journal of Management*, 7(4), 329-347.
120. Zhang, Y. & Wildemuth, B. M. (2009). Qualitative Analysis of Content. In B. M. Wildemuth (Ed.), *Applications of Social Research Methods to Questions in Information and Library Science*. Westport: Libraries Unlimited.
121. Zinchenko, A., Reznik N. & Saprykina, M. (2018). *Індекс прозорості сайтів українських компаній – 2017*. Kyiv: Yuston. Retrieved June 19, 2019 from [http://csr-ua.info/csr-ukraine/wp-content/uploads/2018/10/Transp\\_Index\\_2018\\_preview-.pdf](http://csr-ua.info/csr-ukraine/wp-content/uploads/2018/10/Transp_Index_2018_preview-.pdf)

## **APPENDIXES**



## **Appendix 1: Povzetek (Summary in Slovene language)**

V zadnjih dvajsetih letih podjetja vključujejo trajnostne ideje in koncepte družbene odgovornosti v svoje vsakodnevne poslovne aktivnosti. Posledično so fokus tega zaključnega dela trajnostno oz. nefinančno poročanje, ki omogoča vpogled o vključenosti organizacije v družbeno odgovornost podjetij vsem zainteresiranim deležnikom (Horváth et al., 2017a).

Izvirna ideja za nalogo izhaja iz mednarodne študije Horvátha & Pütterja (2017) o trajnostnem poročanju v 11 državah Srednje in Vzhodne Evrope. Primerjalna naloga je namenjena predvsem opolnomočenju vodilnih direktorjev Ukrajine o trenutni stopnji trajnosti poslovanja. Študija razkriva vsebino poročil stotih najboljših ukrajinskih podjetij. Najboljša raziskovalna metoda za sistematično sklepanje na podlagi velikih količin podatkov, ki so kvalitativne narave, je vsebinska analiza (Mayring, 2004; Schreier, 2012). V postopku raziskovanja, prilagojenem iz članka Zhang & Wildemuth (2009), so bila v vzorčena podjetja vzeta samo podjetja, ki so objavila samostojna poročila o trajnosti, medtem ko je bil zmanjšan vzorec poročil analiziran s pomočjo sheme kodiranja. Ta pristop je bil uporabljen za oceno stanja razkritja trajnosti in osredotočenosti na področja trajnosti v ukrajinskih podjetjih.

Pridobljeni rezultati kažejo, da je v Ukrajini trajnostno razkritje v razvoju, saj le 10 podjetij s seznama 100 najboljših izpolnjuje zahteve za to raziskavo. Študija identificira neravnovesje v razkritih informacijah podjetij, ki svoj del trajnostnega poročanja večinoma namenijo zgolj okoljskim vprašanjem, ter na drugi strani zanemarjajo socialne in ekonomske vidike. Pri povzemanju ugotovitev med državami Srednje in Vzhodne Evrope ter Ukrajino obstajajo razlike. Poleg dolžine in vrste objavljenih poročil so to skupne značilnosti, kot je količina podjetij, ki uporabljajo trajnostne standarde, ter najbolj in najmanj razkrite kategorije. Poleg tega študija odkriva vzorce med vprašanji trajnosti in temami v poročilih, ki pomagajo pri oblikovanju priporočil upravljavcem, da bi ti izpopolnili vsebino trajnostnega poročanja in izboljšali komunikacijo s svojimi deležniki.

**Ključne besede:** družbena odgovornost podjetij, Srednja in Vzhodna Evropa, trajnostno poročanje, Ukrajina, vprašanja trajnosti

## Appendix 2: List of Companies Used for the Research

Company Name	Industry	Type of business	SR form
1. Naftogazvydobuvannya (DTEK)	Energy	PrJSC	Integrated annual report
2. EPAM	IT	Ltd.	Web-page
3. Toyota Ukraine	Automobile	FDI	Centralised SR
4. Bayer	Pharmaceutical	Ltd.	Centralised annual report
5. Gaztransit	Energy	PrJSC	No information
6. USPA (Ukrainian Sea Ports Authority)	Maritime	SOE	Web-page
7. Procter&Gamble (P&G)	Consumer goods	Ltd.	Centralised SR
8. Finansuvannya Infrastrukturnykh Proektiv	Finance	—	————
9. Cargill AT	Agriculture	Ltd.	Centralised annual report
10. UkrGasVydobuvannya	Energy	PJSC (State owned)	Web-page
11. Infopulse Ukraine	IT	Ltd.	Web-page
12. Ukrianian State Air Traffic Services Enterprise	Aviation	SOE	No information
13. Adidas Ukriane	Apparel & Accessories	Subsidiary	Centralised SR
14. Vesco	Natural resources extraction	PJSC	Web-page
15. Slavyanski Wallpaper	Wallpaper manufacturing	PJSC	No information
16. Ukgazvydobutok	Energy	PrJSC	Web-page

(continues)

(continued)

<b>Company Name</b>	<b>Industry</b>	<b>Type of business</b>	<b>SR form</b>
17. Mykolaiv Alumina Refinery	Alumina	Ltd.	Centralised SR
18. GlobalLogic Ukraine	IT	Ltd.	No information
19. Dnipropetrovsk Railway Switch Plant (DnSZ)	Manufacturing	PJSC	No information
20. Krivorizhskiy Ore-mine Combine	Mining	PJSC	Web-page
21. DTEK Oil&Gas	Energy	Ltd.	Centralised SR
22. Can-Pack Ukraine	Packaging	Ltd.	Web-page
23. UkrTransNafta	Energy	PJSC (State Owned)	Web-page
24. Watsons Ukraine	Consumer goods	Ltd.	Web-page
25. Porsche SE Ukraine	Automobile	Ltd.	No information
26. Henkel Bautechnik Ukraine	Building materials	Ltd.	Web-page
27. Sumy NPO	Manufacturing	Ltd.	Web-page
28. Port Yuzhny	Maritime	SOE	No information
29. SKF Ukraine	Manufacturing	PrJSC	Centralised SR
30. Agrana Fruit Ukraine	Food	Ltd.	Centralised SR
31. Container Terminal Odessa (CTO)	Transportation	Subsidiary	Centralised SR
32. Styvidorna Kompaniya Nikmet-Terminal	Transportation	Ltd.	No information
33. Odesa Sea Port	Maritime	SOE	Web-page
34. Starynska Breeding Farm	Agriculture	Ltd.	Centralised SR
35. National Vodka Company	Beverages	Ltd.	No information

(continues)

(continued)

<b>Company Name</b>	<b>Industry</b>	<b>Type of business</b>	<b>SR form</b>
36. TIS-Grain	Transportation	Ltd.	No information
37. Tekhrempostavka	Renting and leasing	Ltd.	No information
38. Roshen	Food	Subsidiary	No information
39. Socar Energy Ukraine	Energy	Ltd.	No information
40. Ukrnaftoburinnya	Energy	PrJSC	Web-page
41. Novokramatorsky Mashinostroitelny Zavod (NKMZ)	Manufacturing	PrJSC	Web-page
42. Zalena Dolyna Agrocomplex	Agriculture	Ltd.	Web page
43. Northern Iron Ore Enrichment Works (Northern GOK)	Mining	PrJSC	Centralised SR
44. Kharkiv Biscuit Factory	Food	PrJSC	No information
45. Auto International	Automobile	Subsidiary	No information
46. Turboatom	Energy	PJSC (State owned)	Web-page
47. Ukrhydroenerho	Energy	PrJSC (State owned)	No information
48. Knauf Gips Donbass	Manufacturing	Ltd.	Centralised SR
49. GualaClosures Ukraine	Packaging	Ltd.	Centralised SR
50. Port of Mariupol	Maritime	SOE	No information
51. Alliance Oil Ukraine	Energy	Ltd.	No information
52. Agroton	Agriculture	PrJSC	No information
53. FC Shakhtar Donetsk	Sport	FC	No information

(continues)



(continued)

<b>Company Name</b>	<b>Industry</b>	<b>Type of business</b>	<b>SR form</b>
54. Research and Production Association "Impulse"	Manufacturing	PrJSC	No information
55. Natural Resources	Energy	PrJSC	Web-page
56. Agrofirma im. Dovzhenka	Agriculture	Ltd.	Centralised SR
57. Sportmaster Ukraine	Consumer goods	Ltd.	No information
58. Ukrkosmos	Space technologies	State owned	No information
59. EvrazTrans Ukraine	Mining	Ltd.	Centralised SR
60. Motor Sich	Manufacturing	PJSC	Web-page
61. AKW Ukrainian Kaolin Company	Mining	Ltd.	Centralised SR
62. AvtoCapital	Automobile	PrJSC	No information
63. AWT Bavaria	Automobile	Ltd.	No information
64. AXA Insurance	Insurance	—	————
65. LDC Ukraine	Agriculture	Ltd.	Centralised SR
66. Ukrainian State Centre of Radio Frequencies (UCRF)	Communication	SOE	No information
67. Ukrelevatorprom	Agriculture	PrJSC	Centralised SR
68. Artyomsalt	Natural resources	SOE	No information
69. Providna	Insurance	—	————
70. United Mining and Chemical Company	Mining	PJSC	No information
71. Tedis Ukraine	Transportation	Ltd.	No information
72. Port of Chornomorsk	Maritime	SOE	No information

(continues)

(continued)

<b>Company Name</b>	<b>Industry</b>	<b>Type of business</b>	<b>SR form</b>
73. UkrEnergo	Energy	SOE	Annual and stand-alone reports
74. DTEK Shakhta Komsomolets Donbassa	Energy	PrJSC	Centralised SR
75. Naftogaz of Ukriaine	Energy	NJSC	Annual reports
76. Syngenta Ukraine	Agriculture	Ltd.	Centralised annual report
77. Arsenal Insurance	Insurance	—	————
78. Zaporizhstal	Steel	PJSC	Web-page
79. SC Johnson Ukraine	Consumer goods	Ltd.	Centralised SR
80. ArcelorMittal Kryvyi Rih	Steel	PJSC	Stand-alone report
81. Agrarian Fund	Agriculture	PJSC	No information
82. Vist Group	Consumer goods	Ltd.	Web-page
83. Oliyar	Agriculture	Sole Proprietor	No information
84. Ltava	Manufacturing	PJSC	No information
85. Carlsberg Ukraine	Beverages	PJSC	Stand-alone report
86. Monsanto	Agriculture	Ltd.	Web-page
87. Oleina	Agriculture	PrJSC	Web-page
88. Pharmaceutical Firm “Darnitsa”	Pharmaceutical	PrJSC	Web-page
89. Kryvbas-Belaz-Servis	Transportation	Ltd.	No information
90. Telesystems of Ukraine	Communication	PrJSC	No information
91. Winner Imports Ukraine Ltd	Automobile	Ltd.	No information
92. Mizhrehionalnyy Promyslovyy Soyuz	Transportation	Ltd.	No information

(continues)

(continued)

<b>Company Name</b>	<b>Industry</b>	<b>Type of business</b>	<b>SR form</b>
93. BASF	Chemicals	Ltd.	Centralised SR
94. Eridon	Agriculture	Sole Proprietor	Web-page
95. Swiss Krono	Wood-based material	Ltd.	Web-page
96. Novotroitskoye Ore Mining	Mining	PrJSC	Web-page
97. AV Metal Group	Steel	Ltd.	No information
98. Donbass Clays	Mining	PrJSC	Centralised annual report
99. Pharma Start	Pharmaceutical	Ltd.	No information
100. Hotel Management	Hospitality	Ltd.	Centralised SR

*Source: Adapted from Visnyk (2017).*

### Appendix 3: Content Analysis for the Year 2012/2013

Sustainability Issue / Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	Eyrax*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
<b>Environmental</b>											
Material use (reduce-reuse- recycle)	2	0	1	2	0	1	1	0	0	0	7
Water consumption	1	3	0	3	3	3	3	1	0	0	17
Emissions (of greenhouse gasses and harmful substances)	3	3	1	1	3	2	3	0	2	0	18
Energy consumption	3	2	2	3	3	0	3	1	1	2	20
Use of renewable resources and energy	3	0	2	1	2	0	0	0	1	0	9
Sustainable products	1	1	1	1	0	0	2	1	1	1	9
Sustainable suppliers	0	0	0	0	0	0	1	0	0	0	1

(continues)

(continued)

Sustainability Issue / Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	Eyrar*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
Waste by type and disposal method	2	3	1	1	3	3	3	1	0	3	20
Initiatives to mitigate environmental issues	2	2	2	1	2	2	2	1	2	1	17
	17	14	10	13	16	11	18	5	7	7	118
Mean	<b>1,9</b>	<b>1,6</b>	<b>1,1</b>	<b>1,4</b>	<b>1,8</b>	<b>1,22</b>	<b>2</b>	<b>0,56</b>	<b>0,8</b>	<b>0,8</b>	<b>13,1</b>
<b>Social</b>											
Employee education and training programs	2	3	2	3	2	2	2	1	1	3	21
Employee absenteeism, net turnover	0	3	0	0	3	0	1	0	3	2	12
Diversity and equal opportunities for employees	2	2	1	1	3	2	3	0	2	2	18

(continues)

(continued)

Sustainability Issue / Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	Eyraraz*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
Customer health and safety	0	0	0	2	0	0	0	1	1	0	4
Employee health and safety	1	3	1	2	3	3	3	1	2	3	22
Participation in local community	1	2	2	2	2	2	3	1	0	0	15
Human rights positions	1	2	1	1	0	1	0	0	0	0	6
Product and Service libelling	0	1	0	1	0	0	0	0	0	0	2
	7	16	7	12	13	10	12	4	9	10	100
Mean	<b>0,9</b>	<b>2</b>	<b>0,9</b>	<b>1,5</b>	<b>1,6</b>	<b>1,25</b>	<b>1,5</b>	<b>0,5</b>	<b>1,1</b>	<b>1,25</b>	<b>12,5</b>
<b>Economic</b>											

(continues)

(continued)

Sustainability Issue / Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	Eyrar*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
Local hiring (sustaining local employment)	0	0	0	0	0	0	1	0	0	0	1
Locally-based suppliers (policy, practices and proportion)	0	0	0	0	0	0	0	0	2	0	2
Jobs created/retained within the company	0	2	2	0	0	0	0	0	0	2	6
Supporting/collaborating with the fair trade	0	1	0	0	0	0	0	0	0	0	1
Communication/development of sustainability principles in the industry	1	2	1	1	1	1	2	1	1	2	13
Direct economic value generated and distributed	0	3	0	2	3	0	1	0	0	0	9

(continues)

(continued)

Sustainability Issue / Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	Eyrar*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
Anti-corruption initiatives	2	2	1	2	1	1	0	1	1	0	11
	3	10	4	5	5	2	4	2	4	4	43
Mean	<b>0,4</b>	<b>1,4</b>	<b>0,6</b>	<b>0,7</b>	<b>0,7</b>	<b>0,3</b>	<b>0,6</b>	<b>0,3</b>	<b>0,6</b>	<b>0,6</b>	<b>6,1</b>

\*companies with foreign ownership

Source: Own work.



#### Appendix 4: Content Analysis for the Year 2017

Sustainability Issue / Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	Eyrax*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
<b>Environmental</b>											
Material use (reduce-reuse- recycle)	2	3	2	2	2	1	0	3	0	1	16
Water consumption	3	3	3	3	3	3	0	3	3	0	24
Emissions (of greenhouse gasses and harmful substances)	3	3	0	2	3	3	1	3	3	0	21
Energy consumption	3	3	3	3	2	2	0	3	3	3	25
Use of renewable resources and energy	3	3	0	2	2	0	0	3	1	2	16
Sustainable products	1	1	1	1	0	1	1	1	0	0	7
Sustainable suppliers	1	1	0	0	1	1	0	0	0	2	6

(continues)

(continued)

Sustainability Issue / Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	EvrAZ*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
Waste by type and disposal method	3	3	3	0	3	3	1	3	3	3	25
Initiatives to mitigate environmental issues	2	2	1	1	2	2	1	1	2	0	14
	21	22	13	14	18	16	4	20	15	11	154
Mean	<b>2,3</b>	<b>2,4</b>	<b>1,4</b>	<b>1,6</b>	<b>2</b>	<b>1,78</b>	<b>0,4</b>	<b>2,2</b>	<b>1,7</b>	<b>1,2</b>	<b>17,1</b>
<b>Social</b>											
Employee education and training programs	3	3	2	1	2	2	2	2	3	2	22
Employee absenteeism, net turnover	2	3	3	0	3	3	1	2	2	2	21
Diversity and equal opportunities for employees	2	3	3	1	3	2	0	3	2	3	22

(continues)

(continued)

Sustainability Issue Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	EvrAZ*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
Customer health and safety	1	0	0	2	0	1	0	1	1	0	6
Employee health and safety	3	3	3	3	3	3	3	3	3	1	28
Participation in local community	0	2	3	2	3	2	2	3	3	0	20
Human rights positions	1	2	1	0	0	1	0	1	0	0	6
Product and Service libelling	0	0	0	1	0	0	0	2	0	0	3
	12	16	15	10	14	14	8	17	14	8	128
Mean	<b>1,5</b>	<b>2</b>	<b>1,9</b>	<b>1,3</b>	<b>1,8</b>	<b>1,75</b>	<b>1</b>	<b>2,1</b>	<b>1,8</b>	<b>1</b>	<b>16</b>
<b>Economic</b>											

(continues)

(continued)

Sustainability Issue / Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	Eyráz*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
Local hiring (sustaining local employment)	0	2	0	1	0	0	1	2	0	0	6
Locally-based suppliers (policy, practices and proportion)	0	0	0	2	1	0	1	2	2	0	8
Jobs created/retained within the company	0	2	0	0	0	0	0	2	0	2	6
Supporting/collaborating with the fair trade	1	1	0	1	0	0	0	0	0	0	3
Communication/development of sustainability principles in the industry	1	2	1	1	1	2	1	2	2	1	14
Direct economic value generated and distributed	0	3	3	0	3	0	2	0	2	0	13

(continues)

(continued)

Sustainability Issue / Company	Agrana*	ArcelorMittal*	Astarta	Carlsberg Ukraine*	DTEK	EvrAZ*	Metinvest	MHP	Naftogaz	Ukrenergo	Total
Anti-corruption initiatives	1	3	0	0	1	1	0	2	1	3	12
	3	13	4	5	6	3	5	10	7	6	62
Mean	<b>0,4</b>	<b>1,9</b>	<b>0,6</b>	<b>0,7</b>	<b>0,9</b>	<b>0,4</b>	<b>0,7</b>	<b>1,4</b>	<b>1</b>	<b>0,9</b>	<b>8,9</b>

\*companies with foreign ownership

Source: Own work.