

COMPANIES' SUSTAINABLE REPORTING: ASSESSMENT AND PRACTICE

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ABSTRACT

The article is devoted to highlighting of the results of scientific and practical research aimed at solving the problem of ensuring the comparability of enterprises' non-financial reporting data. The issues of current stage of non-financial reporting implementation are identified, including the lack of comparability of data disclosed in such reporting between companies, industries and countries. These caused the difficulties with the monitoring of Sustainable Development Goals attainment. The results presented in the article is a part of the global overall countries' case study of companies non-financial reporting practice in terms of SDGs' attainment managed by UNCTAD. The ways and solutions to ensure the comparability of non-financial reporting data are suggested. The objective of the study is to determine the possibility to align the company's core indicators with macro-indicators of SDGs attainment in appropriate areas. Case of Ukraine in the field of aggregation statistical data on progress in SDGs attainment and assessment of the private sector contribution to this process. The study was based on data from non-financial reporting of Ukrainian company for 2017-2018. This project was conducted in accordance with the requirements of the Guidance on core indicators

for entity reporting on contribution towards implementation of SDGs, developed by ISAR-UNCTAD.

Keywords: *sustainability reporting; ISAR-UNCTAD; GCI; case study research; core indicators for entity reporting*

1. INTRODUCTION

Ukraine as a member country of the United Nations has joined the global process of achieving the goals set out in the Concluding Document “Transforming our world: the 2030 Agenda for Sustainable Development”, the goals of sustainable development (hereinafter – SDG). The Global Compact initiative network brings together companies, government agencies, non-governmental organizations and UN bodies. The presentation of the Annual Progress Report is one of the commitments undertaken by the signatory to the UN Global Compact.

However, the practice of reporting on the economic, environmental and social aspects of the company’s activities as well as on their interaction with stakeholders is not common in Ukraine. In 2017, only 16 of the 100 largest Ukrainian companies prepared and displayed non-financial reports on corporate websites. Of these, only 5 companies have included reporting on achieving the sustainable development goals into their non-financial reports.

Ukrainian legislation set out the requirements for disclosure of non-financial information by certain types of enterprises as a part of the management in October 2017 by the Law of Ukraine “On Accounting and Financial Reporting in Ukraine” No. 996-XIV. Until recently, the largest domestic enterprises and local headquarters of foreign companies disclosed the economic, environmental, and social aspects of their activities for stakeholders on a voluntary basis in an arbitrary form. Therefore, the study of the experience of the selected company in Ukraine with regard to its contribution to the achievement of the SDG is of key importance for assessing the level of awareness of the principles of social responsibility of businesses and their implementation both in strategies and policies of Ukrainian companies.

2. LITERATURE REVIEW

Many researchers have addressed in their research the issue of assessing the national institutional environment and addressing the challenges associated with the implementation of non-financial reporting among EU and Asia enterprises. Popescu, Banta, 2019 analysed the state of disclosure of non-financial information of companies in the context of implementation

of EU directive requirements (Directive 2014/95/EU), which showed that among 680 enterprises only 246 entities disclose ESG information completely. In addition, the issues disclosed are include: description of CSR policy, development of intellectual capital, environmental protection, activities within the sustainable development, ethical values.

Another area of theoretical research related to the development of the institutional environment for disclosure of high-quality non-financial information by enterprises is the study of problems of motivation from the standpoint of behaviourism theory. Thus, Vukić et. al. (2018) have investigated non-financial reporting from the point of view of its necessity in the context of sustainable development and highlighted the problems that arise to the private sector: why they should disclose non-financial data; to what extent they should be disclosed.

The problem of the management reports' credibility is directly connected with the concept of materiality of data disclosed. An analysis of European research has shown the core issue – the various number of materiality concepts in different international initiatives in the area of financial and non-financial reporting. Thus, Baumüller and Schaffhauser-Linzatti (2018) conducted a comparative analysis of the concepts of materiality offered by various international instruments (Conceptual Framework for Financial Reporting, issued by the International Accounting Standards Board; International Financial Reporting Standards; Directive 2013/34/EU; Directive 2014/95/EU; Global Reporting Initiative; International Integrated Reporting Standard), which showed that the materiality concept laid down in Directive 2014/95/EU is similar to the concept of International Integrated Reporting Standard.

This result is in favour of the overall trend that is inherent to current stage of development of company reporting - the integration of financial and non-financial data. Many studies of European scientists are devoted to the assessment of the requirements of Directive 2014/95/EU and their consistency with trends in sustainable development reporting (Lipskyte & Koster, 2018; Carini et.al., 2018).

The next direction for reserach among scientists is the issue related to study of non-financial practice of domestic enterprises (Sierra-Garcia et. al., 2018; Muhammad, et. al., 2013; Boiral, et.al., 2018; Karaman, et.al. 2020; Kılıç, et.al., 2019; Steinhöfel, et.al., 2019; Slacik & Grelling, 2019; Romero, et.al., 2018; Lovinska, et.al., 2018; Oliinyk, et.al., 2020; Iefymenko, et.al., 2021).

The important issue for studying in researchers' opinion is conducting of case studies on examination of companies' sustainability reporting practice by institutional sectors of economy (Kumar & Prakash, 2019; Shad, et.al., 2019; Kumar & Sagar, 2017; Dissanayake, et.al., 2019; Adai, 2019; Mion & Adai, 2019; Kaur & Lodhia, 2019).

The quality of data, disclosed in non-financial reporting is an important factor, influencing the effectiveness of decision-making process, in particular, at the level of individual stakeholder, at the state level, at the international level. The next directions for research can be find among scientific papers: factors of influence (Brammer & Pavelin, 2008; Cho & Patten, 2007); assessment of quality of non-financial reporting (De Beelde & Tuybens, 2015; Lock & Seele, 2016; Boiral, et.al., 2019); assessment of the level of non-financial data credibility (Cheng & Ren, 2019); relevance of non-financial reporting data (Rezaee & Homayoun, 2019; Hassan, et.al., 2020); specific industrial features and their impact on quality of non-financial reporting (Fonseca, 2010), etc.

The subject of the study is the institutional principles of compiling the reporting of the selected company in Ukraine for its contribution towards the SDGs agenda. The object of the study is the implementation of core indicators, presented in the international document "Guidance on core indicators for entity reporting on contribution towards implementation of the Sustainable Development Goals", developed by UNCTAD. The authors' team also include the Ukrainian representatives from the SESE "The Academy of Financial Management", into companies' reporting on the contribution towards the attainment of the SDGs. The purpose of the project is to study the reporting of the selected company in Ukraine regarding its contribution (company) towards the SDGs agenda based on the GCI developed by UNCTAD.

In achieving the set goal, the following tasks were successively addressed:

- develop a methodology for the reporting of the selected company in Ukraine regarding its contribution (company) towards the SDGs Agenda based on the GCI developed by UNCTAD;
- study the company's practice and structure of reporting and evaluate the compliance of its indicators with the core indicators contained in the GCI;
- analyse the barriers, incentives and prospects of Ukrainian companies' approach to the compliance with the use of core indicators of the GCI and further implementation of the provisions of the GCI;

- provide Ukrainian companies with tools to ensure the provision of information for country's needs in the collection of statistics on its progress (country) towards the attainment of the SDGs and assess the contribution of the private sector to achieving this goal by facilitating the preparation of the management report through the use of the indicator's system contained in the GCI.

The challenge of conducting the study presented was to conduct a study of the selected company's reporting on its contribution to the Agenda 2030 based on the GCI developed by ISAR-UNCTAD. Therefore, this article presents the results, conclusions, and suggestions for surveying the practice of non-financial reporting by one of the largest Ukrainian companies in accordance with the methodology developed by the authors and approved by ISAR-UNCTAD.

3. DATA AND METHODOLOGY

3.1. Sample selection and data source

For pre-selection of the company the following parameters have been defined:

- the company is established and located in Ukraine;
- the company has a long-standing practice reporting on sustainable development.

According to the specified criteria, the leading enterprise of the fuel and energy complex was selected.

Method of data collection – a survey during the indirect questionnaire of the respondent (the selected company in Ukraine) through the registration of answers to the questions formulated. The questions were aggregated in a questionnaire. The questionnaire is a tool for quantitative measurement, as well as a guide for the respondent company. It aims to contribute to unification of the sustainability reporting in a line with the SDG monitoring system and its indicators by studying of the reporting of the selected company in Ukraine regarding its (company's) contribution to the SDG Agenda based on the GCI, proposed by UNCTAD.

The structure of the questionnaire is based on the disclosure of information about economic, environmental and/or social outcomes of company's activities. The questionnaire is divided regarding the main areas, where the assessment of the impact of the enterprise's activities is measured by specific indicators, the list of which is defined in the GCI: A - Economic area; B - Environmental area; C - Social area; D - Institutional area (Table 1).

Table 1: The structure of the Questionnaire

Component s	Indicator value	Questions				Comment
		Does the company disclose this indicator in reporting?	From what year is information disclosed?	Does the methodology for calculation of this indicator correspond with the GCI?	Is the indicator disclosed in other forms of reporting in Ukraine?	
		«yes» = 1 «no» = 0		«yes» = 1 «no» = 0	«yes» = 1 «no» = 0	
Component A. Economic s area						
A.1-A.4						
Component B. Environmental area						
B.1-B.5						
Component C. Social area						
C.1-C.4						
Component D. Institutional area						
D.1-D.2						

Source: authors' suggestion on the basis of the Annex I of the GCI UNCTAD

Each section of the Questionnaire consists of a number of indicators, corresponding to the number of groups of indicators specified in Annex I (Annex I: Table of selected core SDG indicators) to the GCI (UNCTAD, 2019). Indicators identified in each individual group make questions for assessment (for the purpose of disclosing information about such an indicator in the enterprise's reporting on sustainable development or other non-financial reporting format).

The questionnaire includes detailed questions related to each of the indicators in order to determine the contribution of the respondent company to the SDG agenda based on the GCI. For each indicator, the number of assessment questions is different.

Optionally, at the end of the questionnaire, the Annex provide questions concerning the current practice and reporting parameters of the respondent company regarding its (company's) contribution towards the attainment of the SDG, including the assumptions and methods used to collect indicators and other information in the report, the practice of engagement Stakeholders to the reporting process and key topics and interests that have been violated or identified in the process of engagement with stakeholders; policy for obtaining an external evaluation report, etc.

Assessment is provided only for the first four main components (A, B, C, and D). It was decided to avoid rating assessment, although the assessment of the current practice and reporting parameters of the respondent company regarding its (company's) contribution to the achievement of the SDG can be made.

The tool provides a general picture of the contribution of the respondent company to the SDG Agenda based on the calculation of the total score, including all results by components from A to D. It also allows to detail and analyze the results, looking at the estimates obtained at the level of the main component, the indicator, question and list. The questionnaire is intended for self-evaluation purposes at the level of the respondent company. However, the results can provide an opportunity to compare the results between respondent companies from different countries.

3.2. Assessment methodology

The style of the questions: the observed facts not open questions. In order to be as objective as possible and to create a general basis at the global level, the questionnaire uses a binary (“yes = 1, no = 0”) style of questions based on observable facts about practice and reporting parameters of the respondent company regarding its (company) contribution to the achievement of the SDG. In addition, there are no open questions that could introduce subjective assessments that reduce the usefulness of the instrument to ensure comparability of progress measurements over time.

The questionnaire includes a comment column that encourages respondents to provide additional information on a particular issue when clarification becomes necessary. There is also a column to indicate the source of information in which the respondent company is obliged to indicate the source of financial and non-financial indicators that are disclosed (annual financial, statistical, tax reporting, additional calculations and explanations).

The questionnaire consists of components in accordance with the main areas, an assessment of the impact of the enterprise on which is determined by the specific indicators listed in the GCI: A - Economic area; B - Environmental area; C - Social area; D - Institutional area. The proposed technique provides a sequential test of 100 percent for each of the selected components.

Expected results established before the research:

- to develop the universal research methodology for a study on preparing data on the SDG contribution based on the GCI indicators of UNCTAD;
- to analyse the selected company’s reporting on its contribution to the SDG agenda based on the core SDG indicators proposed by UNCTAD.

4. RESULTS

4.1. Respondent company's approach to sustainability

The company's respondent¹ share UN Global Compact principles and choose Sustainable Development path of business, personnel and society. Mission of the company is to become a driving force for modernization and professionalism in the Ukrainian energy sector integrated with the European market, ensuring security of energy supplies at competitive prices while maximizing the value of national resources.

The main principles governing the company's business and decision-making are as follows: courage; responsibility; openness; accountability; conscientiousness; fairness.

The Company realizes that its activities have a significant impact on Ukraine's energy security and its sustainable development. For disclosure of information on its activities and interaction with stakeholders, since 2000 the company has made public various forms of reporting on its own site.

In 2000, 2001 and 2004, the company released reports providing information for stakeholders in the form of data and analytical references on its operational performance for a given year. In fact, these reports contain the outcomes of the economic analysis of the company's operational performance for the years in question.

In 2014, for the first time, financial reporting and analysis of operational performance were supplemented by analytical data on mission, strategy, reform, operational activities. The analysis of financial reporting and specific issues on social and environmental responsibility was also presented. Since 2014, such an expanded form of reporting has been called «Annual Report», which the company complies based on requirements and standards of GRI.

In preparing the Annual Report Company implements the best international practices of non-financial and corporate reporting and is guided by the following principles of the GRI Standard to define the content of the report that include the next: the “Context of Sustainable Development” principle; the Significance; the Completeness; Interaction with stakeholders.

The company states that constant engagement with stakeholders is a prerequisite for sustainable development and successful business conduct. The company is constantly in dialogue with 13 major groups of stakeholders (shareholders and investors, company

¹ *The name of the company is confidential at the request of the company.*

employees, trade unions, state authorities, controlling bodies, local self-government bodies, media, financial and credit institutions, partner organizations, contractors, suppliers, consumers; local communities, community and charitable organizations, scientific and educational establishments).

The company uses different methods and forms of interaction with stakeholders including: meetings, forums, conferences, meetings, open door days, correspondence, different inquiries, etc.

4.2. Analysis of Annual reports' structure

The results of the analysis of the structure of annual reports showed that in general, the list and names of the sections of the reports and their significant content during the 2014-2018 period practically did not change. At the same time, the share of general information decreased from 42.42% to 16.49%; the share of indicators of economic activity analysis increased by 74.38%; the share of social aspects increased by 95.54%. The disclosure of environmental information, corporate governance and financial reporting in the overall structure of the annual report did not change. The disclosure of additional information due to the company's compliance reporting commitments under the GRI standards, became considerably larger (in 3 times).

In general, the Company mostly focuses on the disclosure of its economic performance (analysis of economic indicators and financial statements account for more than 50% of the overall structure). The issues of ecological and social spheres by the number of pages increased almost twice, but in the general structure, this growth was about 20%. However, the disclosure of environmental issues is carried out by the company in another way, since 2018 the site of the company has separately presented the Corporate Annual Report on Environmental Protection and the Annual Report on Environmental Protection, which indicates an increase in social responsibility.

Each of the above sections contains indicators of the Company's performance, which reveal one or another direction of businesses. In studying the report, the focus was centered on information that showed the economic, environmental and social aspects of the company's performance and interaction with stakeholders. The indicators of economic activity and performance are presented by the compilers in the section «Our results» (28.18% in the overall

structure of the report (Figure 1), and social and environmental aspects – in the section «Our responsibility» (13.40% in the overall structure of the report (Figure 1).

The description of social and environmental aspects takes more than 2 times the size of the report compared to economic issues.

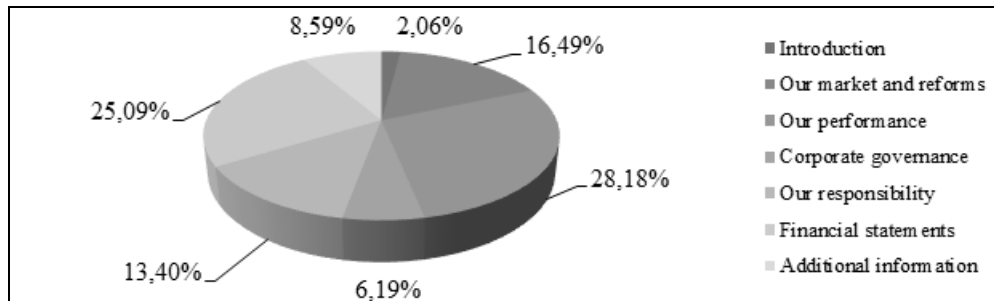


Figure 1: Structure of the respondent Company's annual report

The economic indicators are broadly presented in the Annual Report, the information provided shows the effectiveness of companies through commonly used methods for analyzing the company's economic and financial performance. In the report analytical data discloses macroeconomic and microeconomic performance indicators, the dynamics of economic results (mainly for 2016-2018), comparison of the performance of enterprises within the industry.

The analytical information is supplemented with a descriptive part and illustrations in the Annual Report (graphs, diagrams, tables, etc.). Ecological and social issues contain more descriptive information than analytical ones in the report.

The analysis of the structure and content of the Company's reporting practices has shown:

- a) The most reported in the Annual Report is information on economic aspects of the company's performance, analysis of economic indicators and financial reporting (more than 50%).
- b) Economic indicators and their analysis are presented in the Annual Report by types of economic activity of the Company.
- c) The economic performance of almost all types of activity is disclosed on the following three indicators: the total (natural) indicator of performance (total gas production, etc.); average return on invested capital (ROIC), %; cost of capital, %. Also, by the overwhelming majority of performances, the result of business is indicated separately, UAH billions, (operating profit / loss before tax). The listed

indicators have a generally accepted method of calculation, which is widely used by specialists in the area of financial analysis, that is why their using in the coverage of economic performance is justified.

- d) Economic indicators presented in the Annual Report in dynamics mainly for 2016-2018. Providing analytical information in dynamics gives the opportunity for stakeholders to compare data, make assumptions and conclusions about the status and development of the company.
- e) The descriptive part of the report contains information on the factors that affect the performance indicators, their positive and negative results; the risks that arise in the process of economic activities and the ways of minimizing them, which are used by the company. This allows stakeholders to formulate ideas for decision -making.

The analysis of the structure and content of the Annual Report in the context of disclosure of information on contributions to the SDGs shows that the Annual Report for the analysed period contains a set of core indicators that reveal the economic, environmental and social aspects of the company's performance and interaction with stakeholders, description and presentation of information in dynamics.

4.3. Core indicators: measurement and reporting

In the this study the composition of the core indicators presented in the GCI with the indicators of the Company in the Annual Report for 2018 was compared. To this end, core indicators of the Company on the contribution of the company towards the attainment of the SDGs were grouped in accordance with the requirements of the GCI.

The analysis of reporting information showed that some indicators of the Company Annual Report are identical to those specified in the GCI (A.1.1 Revenues = Revenues). Some have similar names, and they fully coincide with the calculation methodology (A.3.3. Total R & D costs = R & D costs). Some are related to the same areas, but reveal information from different angles (B.5.2. Energy efficiency \neq Energy consumption reduction (fuel and energy resource savings)).

In general, the above information shows that the Company's Annual Report for 2017 contains a certain set of core indicators, their description, and dynamics. The total amount of the indicators of the Annual Report (especially for the economic area) exceeds the 33 core indicators of the GCI, but presented composition does not overwhelm the entire list of

indicators of the GCI, which requires additional attention of the Company's management to meet the information interests of the world community

The proposed grouping of the core indicators presented in the GCI and the Annual Report for 2018 made it possible to compare the practice of disclosure by the company in the Annual Report with the recommendations of GCI. It should be noted that the GCI contains a limited set of core indicators, therefore, not all indicators of the Annual Report for 2018 are included in the comparative table.

Research into reporting practices has made it possible to select, from the full range of indicators presented, those that are disclosed by the Company and can reveal information that is partially consistent with indicators of the GCI.

The methodology for calculating the indicators disclosed in the reports of the respondent is in compliance with the methodology developed by the GCI. When preparing the annual report, the specialists of Company used at maximum financial and managerial accounting information, financial and statistical reporting. Therefore, this study provides the methodology for calculating the indicators presented.

Indicator A.1.1. Revenue was determined by summing up the company's revenue, the amount of which is shown in the section "Financial results» of form No. 2 «Statement of financial results (consolidated income statement)":

- net income from sales of products (goods, works, services) (line 2000 "Net income from sales of products (goods, works, services)");
- other operating income (line 2120 "Other operating income");
- income from equity participation (line 2200 "Income from equity participation");
- other financial income (line 2220 "Other financial income");
- other income (line 2240 "Other income").

The information of the indicated reporting form was disclosed on the basis of NR (S) AU 2 "Consolidated Financial Statements", the Order of the Ministry of Finance of Ukraine of June 27, 1362, No. 628.

Indicator A.2.1. Taxes and other payments to the Government shows the amount of liabilities to the state by types of direct and indirect taxes and other payments made by the

company in favour of the state, by summing their amounts from the appropriate forms of tax reporting (namely: Tax returns on corporate income, approved by the order of the Ministry of Finance of 10.10.2015, No. 897; Tax returns on rent, approved by the order the Ministry of Finance , No. 719 of August 17, 2015; Environment tax return , approved by the Ministry of Finance of August 17, 2015, No. 715; Tax return on land (land tax and / or rent for land plots of state or communal property), approved by the order of the Ministry of Finance of 16.06.2015, N 560; Tax return on transport means , approved by the order of the Ministry of Finance of 04.10.2015 № 415; Tax return on real estate , different from the land plot, approved by the order of the Ministry of Finance of 04.10.2015, No 408; Tax return on value added , approved by the order of the Ministry of Finance of January 28, 2016, No. 21; Excise tax return, approved by the order of the Ministry of Finance of January 23, 2015 No. 14).

Indicator A.3.1. Green investment shows the amounts of all current expenses and capital investments aimed at protecting the environment, also covered in the form of state statistical observation “Environmental Protection Costs and Environmental Payments for 20__”, approved by the order of State Statistics Service of Ukraine of 09.30.2015 № 259.

Indicator A.3.2. Community investment shows the amounts of charitable donations and investment funds to the wider public, where the target beneficiaries are external to the enterprise. These include contributions to charitable organizations, non-governmental organizations and research institutes (not related to commercial research and development of an enterprise), funds for supporting social infrastructure (eg education, medical and recreational facilities) and direct costs for social programs (including art and educational events). The amount includes actual expenses in the reporting period, and not liabilities. The indicator is determined on the basis of the company's management accounting reporting.

Indicator A.3.3. Total expenditures on research and development shows the amount of gross expenditures on research and development (amount of research and development expenditures (fundamental, applied, experimental), also indicated in the form of state statistical observation No. 3-science» Report on scientific research and developments», approved by the Order of the State Statistics Service of Ukraine of June 24, 2016, No. 104.

Indicator A.4.1. Percentage of local procurement was determined by the respondent by dividing the procurement costs in Ukrainian companies by the total amount of procurements on the basis of management accounting reporting.

Indicator B.1.1. Water recycling and reuse describes the total volume of water that the reporting entity is processing and / or re-utilizing during the reporting period and indicated by the respondent on the basis of information that was disclosed in the form of state statistical observation No. 2TP- water enterprise (annual) “Water use report”, approved by the order of the Ministry of Ecology and Natural Resources of Ukraine dated March 16, 2015, No. 78.

Indicator B.1.3. Water stress was calculated by determining the volume of water seized or taken by sources and shown on the basis of the form of state statistical observation No. 2TP- water enterprise (annual) “Water use report”, approved by the order of the Ministry of Ecology and Natural Resources of Ukraine, March 16, 2015, No. 78.

Indicator B.2.2. Waste reused, re-manufactured and recycled was calculated by dividing the total volume of recycled wastes (tons) by the volume of produced products (goods, works, services) and shown on the basis of the information indicated in the form of state observation No. 1 – “Wastes (annual). Waste generation and management” approved by the Order of the State Statistics Service of Ukraine of August 19, 2014 No. 243.

Indicator B.3.1 Greenhouse gas emissions (scope 1) discloses information on total emissions of pollutants and greenhouse gases into the atmosphere by all its production and technological processes, technological equipment (facilities) (tons) and corresponds to volumes of emissions of pollutants and greenhouse gases into atmospheric air, covered by the respondent in the form of state statistical observation № 2 - TP (air) (annual) “Report on the protection of atmospheric air”, approved by the order of the State Statistics Service of 27.11.2015 No. 345.

Indicator C.3.1. Expenditures on employee health and safety as a proportion of revenue shows the total cost of health care and safety for employees in monetary units, by adding indicators derived from health and safety insurance costs, the company's costs on health protection activities directly covered by the company, and company costs related to labor safety and health protection based on the company's management accounting reporting data.

Indicator C.3.2. frequency/incident rates of occupational injuries was calculated by dividing the number of days of disability of accident victims by the number of working hours by the employees of the company for the relevant period on the basis of the management accounting reporting data and the form of state statistical observation No. 7-tnv (annual)

“Report on occupational injuries” approved by the order of the State Statistics Service of August 18, 2014 No. 242 (hereinafter - form No. 7-tnv (annual)).

Indicator C.4.1. Percentage of employees covered by collective agreements was calculated by dividing the number of employees covered by the total number of company’s employees in accordance with the instruction on filling in the form of state statistical observation № 1-PV (quarterly) “Labour report”, approved by order No. 404 of the State Statistics Service of October 26, 2009.

Indicator D.1.4. Number of meetings of audit committee and attendance rate was calculated on the basis of quantitative information on the meetings and attendance, recorded in the minutes of the meetings of the audit committees.

Indicator D.1.5. Compensation: total compensation per board member (both executive and no-executive directors) discloses information on the cumulative, individual size and type of remunerations of the chairman and members of the executive body based on the financial and managerial accounting data of the company.

5. RESULTS

Company, selected for the study, is aware of the importance of its impact on the attainment of the SDGs and has a long-standing practice of disclosing material information in the Annual Report that relates to the company's economic, environmental and social impacts, key risks and relationships with stakeholders.

The study of the Annual Report of the respondent Company in the context of the disclosure of core indicators contained in the GCI allows to conclude that, as of the time of the research, the approach to the disclosure of information by Company on its contribution towards the SDGs agenda attainment is largely consistent with the approach of the GCI.

General research results: 15 indicators are full reported by the respondent company; 16 indicators are partially reported by the respondent company; 2 are not reported by the respondent company.

In the course of the study the monitoring of the disclosure of indicators of the Annual Report of the Company for 2018, which is in line with the approach of the GCI, was conducted in other forms of reporting submitted by the respondent to the regulatory authorities of Ukraine. The results of these findings are presented in Table 2.

Table 2: Assessing of the compliance of the company`s reporting regarding its contribution to the SDG agenda based on the GCI in accordance with the results of the processing of the questionnaire

No	Component	Number of company`s indicators reported (full reported)	Number of company`s indicators partly reported	Number of company`s not reported indicators	Number of all indicators
1	A	6	2	-	8
2	B	4	5	2	11
3	C	3	4	-	7
4	D	2	5	-	7

However, the total number of indicators shown in the Company's Annual Report exceeds the number of core indicators recommended by the GCI in accordance with table 2 (figure 2).

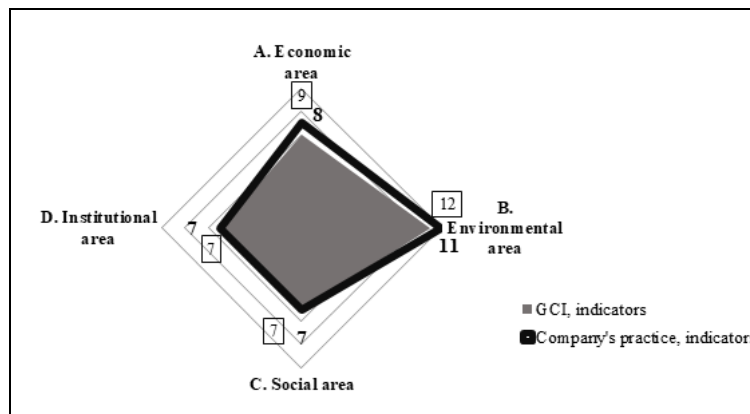


Figure 2: Results of comparative analysis of number of GCI indicators with number of Company`s indicators, by area.

As a result of this, there is a different level of the quality of the output data, depending on the specifics of the mining industry performance to which the company belongs; insufficient comparability of reporting data with other Ukrainian companies, as well as information among countries and geographic regions.

One of the main reasons for this is due to the inconsistency of the legal and regulatory framework for preparing non-financial reporting. Therefore, the disclosure by the Company in the Annual Report of a limited number of core quantitative indicators based on the GCI can become a practical tool that will help assess its potential and performance. In addition, it will allow Ukraine, as a UN member state, to assess the share of companies reporting sustainability issues, which is one of the requirements for monitoring the attainment of the SDGs. This will facilitate the compliance of the core indicators of the attainment of the SDGs for economic entities (included in reporting on sustainability indicators) with indicators of attainment of the SDGs at the national and global levels.

6. CONCLUSIONS

The analysis of responses for Questionnaire and the results of the comparison of the core indicators presented in the GCI and the Annual Report of the respondent company for 2018 made it possible to draw up the following conclusions.

- 1) Respondent's responses to the questions of the questionnaire on Company Reporting according to the GCI indicators (the answer «yes») coincide with our conclusions on the comparison of the core indicators presented in the GCI and in the Annual Report.
- 2) The results of the survey showed that the Company reports:
 - fully on 15 indicators of the 33 core indicators presented in the GCI, in particular by component A-6 indicators; B - 4 indicators; C - 3 indicators; D-2 indicator;
 - partly on 16 indicators of the 33 core indicators presented in the GCI, in particular by component A-2 indicators; B - 5 indicators; C - 4 indicators; D-5 indicator;
 - and 2 not reported indicators of the 33 GCI indicators by component B.
- 3) Of the 15 indicators of the Annual Report, which correspond to the core indicators presented in the GCI: 5 have been disclosed by the company since 2014; 4 – since 2015; 4 – since 2016; 2 – since 2017. The indicated dynamics show that with each year in the Annual Report the disclosure of the core indicators presented in the GCI has increased and this is a positive sign.
- 4) Of the 15 indicators of the Annual Report, which correspond to the core indicators presented in the GCI: 4 partially take into account the methodology for the calculation offered by the GCI. It should be noted that in the Company's report, the data provided are only in absolute figures, relative values are not indicated.
- 5) From the indicators of the Annual Report, which do not correspond to the core indicators presented in the GCI, some relate to the similar areas, but reveal information of different aspects, in particular, in B.5.2. Energy efficiency ≠ Reducing energy consumption (saving fuel and energy resources).

According to the results of the survey, a general assessment of the indicators was carried out.

The highest overall score of 8 indicators has component A, since in the Annual Report the economic performance indicators are most fully consistent with the core indicators presented in the GCI. Environmental, social and institutional spheres have an overall score of 9, 7 and 7 respectively.

The selection of core indicators that are disclosed is carried out by the company independently in accordance with the requirements of national legislation, the provisions of which do not specify a mandatory list of such indicators. The content of the management report is determined by the Methodological Recommendations on the Management Report, approved by the Decree of the Ministry of Finance of Ukraine dated December 7, 2018, No. 982 (hereinafter referred to as the Methodological Recommendations). Legally it is provided that the report is prepared in an arbitrary form.

The report, according to the size and complexity of the business, should contain a balanced and comprehensive analysis of the economic, environmental and / or social aspects of the enterprise and their changes that occurred during the year before the publication of the annual report that affect or may affect the activity of the enterprise in the long run and bring about risks. Material information is disclosed through financial and non-financial (as appropriate) indicators.

Therefore, according to the requirements of national legislation it is possible for the company to select the indicators that most fully disclose material information about the state or potential activity of the enterprise. The set of indicators is determined in accordance with the Methodological Recommendations and / or international documents selected by the enterprise for gathering information for the preparation of the report. According to this approach, the Company independently selected a set of indicators traditionally disclosed by the company in accordance with the recommendations of the international document on information disclosure in the area of sustainable development, selected in previous reporting periods.

At the same time, taking into account such factors as: proclaiming by the Company its intention to follow the path of sustainable development in business, society and personnel policy, and sharing the principles of the UN Global Compact; the outcomes of the study, according to which the approach of the Company to the information disclosure on the contribution of the company to the SDGs agenda complies to some extent with the approach

of the GCI. Therefore, the implementation of the GCI approach can be a practical tool that will help assess the economic and social potential of the Company.

The GCI can make it possible to address the problem of ensuring the comparability of reporting among countries, geographic regions, industries and enterprises while preparing non-financial reporting.

The methodology presented in the article for conducting research on the reporting practices of companies on their contribution towards the SDGs attainment is universal, and it would therefore be interesting to conduct a similar study based on European enterprise, in particular Croatian. In this context, the methodology could be applied. For our part, we are ready to cooperate in the field of SDGs achievement, in particular addressing issues of data collection and aggregation under indicator 12.6.1 “Number of companies publishing sustainability reports” SDG 12 “Ensure sustainable consumption and production patterns”.

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