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# Motivations and impacts of sustainability reporting in the Indo-Pacific region: Normative and instrumental stakeholder approaches

**Abstract**

Despite the elusive debate on different stakeholder approaches to sustainability reporting in the developed world, few studies have so far explored stakeholder influences on management perceptions of the motivations for and the impact of sustainability reporting in the developing country contexts. Using a survey questionnaire complemented by a series of interviews with business managers in five countries in the Indo-Pacific region, this study investigates the motivations and impacts of the rapidly growing sustainability reporting practice in this emerging area. The study finds that corporate sustainability reporting in the Indo-Pacific region is generally driven more by normative and regulatory stakeholder pressures than by economic considerations, especially for larger companies and companies with more overseas presence. However, in terms of the perceived impacts of sustainability reporting, economic benefits feature more prominently in both survey and interview data. It appears that companies believe they receive a win-win outcome by "doing good", although their "doing good" is more from a normative and regulatory call than from a belief in business cases.

**Key words:** Sustainability reporting, stakeholder approaches, motivations, impacts, Indo-pacific

## 1. Introduction

Sustainable development or sustainability has emerged as a critical challenge for every nation since the UN's 1987 Brundtland Report called for development that can meet the needs of the present without compromising the ability of future generations to meet their own needs (UN, 1987). This notion questions economic growth as the single bottom line and highlights the importance of balancing economic, ecological and social development in proceeding towards sustainable economy and society. The business community has actively responded to the call and undertaken rapid changes to meet various social and environmental expectations beyond profit-seeking (Dangelico and Devashish, 2010; KPMG, 2015; Schaltegger and Hörisch, 2017). Managing and reporting on sustainability issues have become central to business strategy and development, especially for large corporations (KPMG, 2015; 2017).

Over the past decade, the increase of corporate sustainability reporting has been evident globally. Sustainability reporting provides business corporations an opportunity to create strategic momentum to improve and signal their performance (Branco and Rodrigues, 2006; Burritt and Schaltegger, 2010; Schaltegger and Burritt 2018), to enhance image and reputation (Hoogiemstra, 2000; Bebbington et al. 2008; Schaltegger and Hörisch 2017), to distinguish themselves from competitors in the global marketplace (Hasseldine et al., 2005), to create financial benefits and possibly to influence firm value (Matsumura et al., 2014). This phenomenon has become widespread not only in developed nations, but more prominently in developing countries in recent years. For example, the international surveys conducted by KPMG (2015; 2017) have revealed significant growth of corporate responsibility disclosure in emerging economies such as those in Asia and Latin America.

The significant growth of sustainability reporting is often viewed as an active response by business corporations to increasing stakeholder demand for, and pressure on, corporate responsibility for sustainable development (Burritt and Schaltegger 2010; Dong et al., 2014; Laguir et al, 2019).

Corporate sustainability reporting is seen as an instrument used by businesses to communicate social and environmental information to a wider range of stakeholders and signal that they are fulfilling societal and community expectations (Deegan, 2002). It helps businesses establish their legitimacy and acceptability to society and obtain a social licence to continue operations (Deegan, 2002; Schaltegger and Hörisch, 2017). This may require the economic motive (e.g. profit and efficiency seeking) of business entities to be tempered whereas the moral role of companies is taken into greater account (Stoney and Winstanley, 2001). Sustainability reporting is thus viewed as demonstrating corporate moral commitment and obligation to meet the demands and claims of diverse stakeholders irrespective of their economic power. This vein of literature supports a normative stakeholder approach to sustainability reporting, which clearly emphasises the legitimacy or normative validity aspect of stakeholder discourse (Donaldson and Preston, 1995; Phillips, 2003).

Previous studies have also noted that while companies are aware of the dire need to address various stakeholder demands, they are likely to prioritise stakeholder interests and respond to their requests differently (Clarkson, 1995; Mitchell et al., 1997). Stakeholders may have varying degrees of importance to business managers beyond the consideration of their legitimate and ethical demands (Laguir et al., 2019). Primary stakeholders, such as economic stakeholders who have a direct transactional relationship with companies, are likely to present greater importance to businesses (Clarkson, 1995; Shubham et al., 2018). As such, stakeholder engagement and communication may also be instrumental and strategic. This school of thought often supports the positive relationship between the practice of stakeholder management and the achievement of economic performance (King and Lenox, 2001; Pérez et al., 2017). There is a tendency in these studies to be focused on the 'business-case' for sustainability management and communication (Schaltegger et al., 2012). Sustainability practice occurs *only* if there are economic benefits to the organisation in addition to any social or environmental benefit (Belal et al., 2015). Companies that constantly practise such stakeholder management strategies are seen as being more successful in conventional performance terms such as higher profitability and revenue growth (Donaldson and Preston, 1995).

Although the divergent views of stakeholder approaches are built upon the same argument that stakeholder disclosure is a means to an end for company survival, the normative approach lays more weight on social conscience and legitimacy as its 'end', while the managerial/instrumental approaches focus more on economic success as the 'end'. Notwithstanding extensive research and debate on sustainability reporting as normative or strategic stakeholder responses, there is fairly limited research extending such discussion into developing countries (Sahay, 2004; Sumiani et al., 2007; Md. Habib-Uz-Zaman et al., 2011; Das et al., 2015). Corporate social and environmental disclosure in response to stakeholder demands has been studied predominantly in developed countries or the Western context (Patten, 2002; Frost et al., 2005; Gray, 2006; Othman & Ameer, 2009; Burritt & Schaltegger, 2010; Gurvitsh & Sidorova, 2012; Pérez et al., 2017). Much of this domain remains unchartered waters in the developing country contexts, especially in the Indo-Pacific region (Lodhia, 2003; Sharma and Davey, 2013; Sharma et al., 2013). For example, questions such as to what extent stakeholders play a role in corporate reporting decisions and how the stakeholder approach to sustainability reporting is undertaken and manifested within the local institutional context in developing nations, are still unexplored. Although there are increasing empirical tests and claims about the relationship between corporate sustainability reporting and financial structure in the developing country contexts (Zaini et al., 2018; Hang et al., 2019), seemingly leaning towards an instrumental stakeholder approach in this context, the results often replicate what has been established in the Western literature. Research investigating and

understanding the real management views about different stakeholder motivations for sustainability reporting and the impact of such reporting in developing countries is patchy. This has been noted as an important area worthy of more attention (Dilling, 2010; Tilt, 2016; 2018). To fill the void in literature, this research is set to explore the growing sustainability reporting practice and its relationship with stakeholder demands in an emerging region – the Indo-Pacific. More specifically, this research investigates the following research question: *Is corporate sustainability reporting driven by normative and/or instrumental stakeholder considerations and how these motivations are related to the perceived impact of sustainability reporting*?

This study focuses on developing countries in the Indo-Pacific region. Although this region is still emerging economically, it is of growing economic importance and one of the unique characteristics in this region is that almost all countries in this region are developing countries and most of them are classified as lower-middle income countries. As Australian Defence White Paper 2013 (Commonwealth of Australia, 2013, p.13) highlights:

> *The Indian Ocean is now surpassing the Atlantic and Pacific oceans as the world's busiest trade corridor. Rapid economic growth in South, Northeast and Southeast Asia is driving stronger economic links with the resource-rich Middle East and Africa. One-third of the world's bulk cargo and around two-thirds of global oil shipments now pass through the Indian Ocean.*

The swift economic development is having significant implications for social and environmental issues in the region. Key problems such as air and water pollution, climate change, food security, complicated with overpopulation and over consumption of resources and energy, have put enormous pressures on the government, businesses, and the community. Societal and community expectations in many countries of this region have been changing, especially in terms of monitoring multinational corporations' (MNCs) activities (Chapple & Moon, 2005; Beddewela and Herzig, 2012; Belal and Owen, 2015; Islam et al., 2018). International pressure is also considered to drive a higher level of sustainability reporting by local companies (Islam and Deegan 2008). As a result, the emphasis on non-financial and sustainability activities is rapidly increasing in this region. For example, a study of Association of Southeast Asian Nations (ASEAN) countries (Loh et al., 2016) found that 100% of the sample companies in Indonesia have communicated sustainability information to some extent and the quality is improving over time. Therefore, this emerging region deserves more attention and an exploration of stakeholder demands and motivations for corporate sustainability reporting in this region improves understanding of corporate sustainability behaviour and decisions, which will facilitate policy design for the future development of sustainability reporting in this region, and more broadly for developing countries.

This paper is structured as follows. In the next section, a review of extant literature on stakeholder theory and different stakeholder perspectives in relation to corporate sustainability reporting is presented. Section 3 provides an overview of the research method employed for this study and in Section 4 a detailed results analysis is presented. The paper concludes in Section 5 with implications and limitations of the study discussed.

## 2. Stakeholder approaches to corporate sustainability reporting

Stakeholder theory in business management has been rapidly developed since its first seminal appearance in a book by Freeman (1984). The theory challenges the dominance of shareholder wealth maximization as the fundamental objective of business for decades. Stakeholder theory emphasises that business organisations operate within a social system where they have contracts

with various stakeholders and their success relies on good management of the relationships with all stakeholders or stakeholder groups that can affect or are affected by business activities (Freeman 1984; Roberts, 1992). As such, business reporting has to go beyond its traditional role of rendering an account only to the owners of capital or shareholders (Burritt and Schaltegger, 2010).

Since the 1990s, the stakeholder perspective has been used to explain the rise in Corporate Social Responsibility (CSR), environmental or sustainability reporting practices, mostly in developed nations (Clarkson, 1995; Azzone et al., 1997; Dima, 2008; Laplume et al., 2008). Many empirical studies evidence the role and influences of stakeholders on corporate sustainability performance and reporting decisions (Sprengel and Busch, 2011; Hyatt and Berente, 2017; Silva et al., 2019; Zhang and Zhu, 2019). Corporate social and environmental activities are frequently seen as being driven by various stakeholder needs so that companies can meet societal expectations and enhance reputation in the public eye (Laguir et al., 2019).

When Freeman (1984) proposed and advocated the stakeholder approach for business strategy, it was grounded on the legitimacy/normative core of stakeholder theory (Donaldson and Preston, 1995). Companies are expected to act in the interests of all legitimate stakeholders rather than privilege powerful stakeholders such as shareholders and other contractual stakeholders (Hendry, 2001). It is the impact of an organisation on its stakeholders that should determine the organisation's responsibilities to that stakeholder, "rather than the extent of that stakeholder's (economic) power over the organisation" (Deegan and Unerman, 2011, p. 349). This normative stakeholder approach considers that stakeholder theory is engrained with stakeholder fairness and moral obligations in its foundations and the normative or ethical dimension of stakeholder theory is essential in the concept of legitimacy (Phillips, 2003). The normative stakeholder approach requires the instrumental pursuit of power and profit to be suppressed or undertaken only with the wider social and environmental consequences of such pursuit carefully considered (Roberts, 1992). As Evan & Freeman (1993) highlight, corporate decisions should focus more on respecting all stakeholders' rights and wellbeing rather than treating them as a 'means' to a corporate (economic) 'end'.

Researchers advocating for a normative stakeholder approach to corporate responsibility argue that corporate disclosures are morally driven by business managers as they strive for good citizenship (Islam and Dellaportas, 2011; Hossain et al., 2015). In taking social responsibility, business managers are likely to view the process of stakeholder communication as a moral obligation and a way to achieve fairness and social justice (Cooper and Owen, 2007). Reporting on social and environmental responsibilities reflects the true "value" that is "necessarily and explicitly a part of doing business" (Freeman et al., 2004, p.364). The reputational gain from stakeholders as a result of creating and conveying such 'value' to them is essential for business survival. As such, business managers have an obligation to reveal and report the actual or material impacts of their business activities on society and communities for gaining public trust and support to continue operation. While unlike primary stakeholders, such as those having direct transactions or binding contracts with business organisations, secondary stakeholders, such as community members, are less powerful and seem remote to businesses, the normative stakeholder approach advocates that each group of stakeholders merits consideration even though their ability to further business financial interests is limited (Clarkson, 1995; Shubham et al., 2018).

However, business organisations are astute in acknowledging and drawing on the important economic implications of sustainability reporting. The positive and significant association between

corporate sustainability reporting and financial returns is constantly found in previous literature (Pérez et al., 2017; Schaltegger and Burritt, 2018). This seems in line with the instrumental/managerial stakeholder perspective where reporting is linked, implicitly or explicitly, to corporate economic performance. The instrumental stakeholder approach expects business managers to meet specific corporate objectives; the 'end' often related to economic returns to shareholder investments (Hendry, 2001), This view prompts companies to pursue a business case, i.e. "doing well by doing good". That is, changes for sustainability will be made mainly because a 'win-win' goal is likely to be achieved. Following this stream of thought, companies undertake CSR initiatives not because they believe in charity, rather it is because they anticipate future financial benefits (the corporate 'end') that can be brought by such investments (the 'means') (Lys et al., 2015). This explains why corporate social and environmental responses to stakeholder pressures often differ (Murillo-Luna, et al., 2008; Pérez et al., 2017).

Although the instrumental approach to stakeholder dialogue is often criticised by researchers as it offers limited opportunity to exercise accountability and ethical stakeholder engagement (Cooper and Owen, 2007; Milne & Gray, 2007; 2013), it has gained stronger support in business practice compared to the normative stakeholder approach in developed countries. For example, Hockerts (2015) finds that the business case for corporate sustainability is a dominant logic among large European companies. The trickle down of this broad business case motivation is perceived economic benefits such as reducing business risk, increasing operational efficiency, building product brand and creating new markets. This view is echoed by Landrum and Ohsowski (2018) who investigate worldviews about corporate sustainability in the US and reveal that the most dominant motivation for sustainability among North-American-based companies is the business case for sustainability. This is built upon the positive link between sustainability reporting and financial benefits established in many previous studies (De Mendonca and Zhou, 2019; Hang et al., 2019).

In developing countries, stakeholder theory has become one of the most frequently used theoretical perspectives for explaining CSR/sustainability reporting (Zhang and Zhu, 2019). A growing number of studies focusing on developing countries highlight that companies have started to pay greater attention to sustainability disclosure as a result of pressures imposed by various stakeholders whose social environmental awareness and demands have significantly increased over recent years (Islam & Deegan, 2008; Dima, 2008; Karim & Asaduzzaman, 2015). As Reed (2002) argues, the improving social and environmental awareness among society members is likely to constitute a change in developing economies that requires companies to act on normative principles for corporate responsibilities. Although still limited, a few studies support the normative view of stakeholder communication in developing countries and note the increasing normative motivations for corporate reporting, such as public image enhancement and commitment to social welfare (Zhao and Patten, 2016; Zhang and Zhu, 2019).

It seems that the instrumental stakeholder approach presents a stronger voice in the increasing studies of sustainability reporting in developing countries (Fernando and Almeida, 2012; Qiu et at., 2016; Weber, 2017). It is more common to see studies taking an instrumental rather than normative view of stakeholder relationships and focusing merely on the role of powerful economic stakeholders, such as creditors, shareholders and customers (Lu and Abeysekera, 2014; Wu, 2015). Most of these studies are based on large scale empirical analysis and support the view that economic factors are the dominant driver for corporate responsibility disclosure and reciprocally this disclosure brings companies greater economic benefits either internally or in the capital

market (Qiu et al., 2016). In particular, companies in developing countries have increasingly engaged with international markets and tend to meet expectations of international investors and supply chain partners (Islam and Deegan, 2008; Dong et al., 2014). These investors, customers and suppliers have increasingly demanded more sophisticated forms of corporate sustainability information to meet international standards and to enable international trade. Especially for MNCs, managing good relationships with international buyers is critical as overseas presence and market share are important indictors influencing their strategic ambition and economic position within the global competitive arena (Dong et al., 2014).

Despite the divergent stakeholder approaches in business practice, there is a tendency in literature that relies predominantly on large-scale archival evidence to support the instrumental view or business case for sustainability communication. Limited research has investigated the real management perceptions about the importance of various stakeholders to their sustainability reporting practices in the developing country contexts. This study aims to provide insights into the differing stakeholder perspectives taken by companies towards sustainability reporting and how policy implications can be drawn from these different forms of stakeholder approaches adopted in developing nations. To understand the management perceptions of different stakeholder perspectives, we surveyed and interviewed business managers across five developing countries in the Indo-Pacific region to explore the motivations and impacts of sustainability reporting in these countries.

## 3. Method

A survey method was employed to gather data from five representative countries in the Indo-pacific region, including Indonesia, Bangladesh, The Philippines, Vietnam and Sri Lanka. These countries are among the largest and fastest growing developing nations in the region in terms of population and GDP (CEOWORLD, 2017). The Global Reporting Initiative (GRI), a leading international standards setting organisation, has recently highlighted the strategic importance of developing sustainability reporting practice in the Indo-pacific and conducted a series of sustainability reporting programs in these five countries to promote sustainable development in this region.

Surveys were administered by the GRI at their annual sustainability reporting training workshops in each country. These training programs aimed at improving the awareness and quality of sustainability reporting by companies in the five Indo-pacific countries. Company senior managers and CSR/sustainability managers representing their respective companies were the main participants of these training workshops. Invited companies were either listed or private companies who were interested in corporate sustainability reporting. They included both companies already producing sustainability reports and those that had never reported on sustainability information. Surveys were carried out during April and July 2018. 496 companies attending the workshops answered the survey questions regarding their current sustainability reporting status and company profile.

Within the 496 attending companies, 273 companies (55%) did not issue any sustainability report and simply expected to gain knowledge about it in the workshops, while 223 companies (45%) prepared sustainability reports and expected to improve their reporting quality through the training at the workshops. The 223 reporting companies were then asked to answer further questions in the survey questionnaire regarding their company's commitment to sustainability, the motivations for sustainability reporting, and the perceived impacts of sustainability reporting. The

purpose of this questionnaire was to explore the stakeholder influences on corporate sustainability reporting and the perceived impacts of sustainability reporting on business activities.

Each survey participant was given a list of motivations related to various internal and external stakeholder demands or pressures, such as pressures from investors, customers, market and operational needs which were more related to economic drivers, and pressures from the public, company leaders, regulators and employees which were more related to societal drivers. The respondents were asked to indicate if the motivation had 1) no influence; 2) a minor influence; 3) a moderate influence; or 4) a major influence, on their sustainability reporting decisions. An option for 'don't know' was provided if the respondents were unsure about the answer. Similarly, the participants were given a list of potential impacts and/or benefits of sustainability reporting in relation to various stakeholders as in the motivations, and asked to indicate if they perceived preparing sustainability reporting had 1) no impact; 2) a minor impact; 3) a moderate impact; or 4) a major impact on them. The lists of motivations and potential impacts are illustrated in the results section together with the findings of the survey. The survey questionnaire also included questions about management perceptions of their company's broader commitment to sustainability reporting. These included the extent to which their companies used the UN's SDGs in sustainability reports, integrated sustainability reporting into business management practices and operations, and had leadership commitment to business sustainability activities in general. These questions were used to understand if stakeholder pressures further motivated the company's broader commitments to sustainability.

Within the 223 reporting companies, 176 companies fully responded to these further questions about the motivations and impacts of sustainability reporting, a response rate of 79% from eligible workshop attending companies.

Table 1 shows the profile of the final sample companies in each country.

<Insert Table 1 here>

As can be seen in Table 1, nearly 42% of the sample companies (No. = 74) were from Indonesia. This sample result seems to be consistent given that Indonesia is the largest country in the Indo-pacific region. The second largest section of the sample was from the Philippines (23%; No. = 40). The other three countries had relatively smaller representation in the sample (about 10-13% each). Companies attending the workshops included both publicly listed companies and private companies. The majority of the survey participants (72%; No. = 127) were publicly listed companies on the main board (those companies that meet listing requirements of the major stock exchanges) in their respective countries, with another 18% (No. = 31) of companies listed on the second board of the stock exchanges (those SMEs and innovative start-up companies that do not currently meet the listing rules but aspire to be publicly listed). Only 10% (18) of the 176 companies were non-listed, which were likely to be smaller companies and subject to less public scrutiny of their sustainability commitments. An examination of the size of the reporting companies and the comparison of these companies with non-reporting companies seem to suggest that large companies were more likely to report. Table 2 is the summary of sample companies by size.

<Insert Table 2 here>

Of 176 reporting companies, 41% (No.=72) were the largest companies with over 5000 employees, nearly doubling the number of the second largest companies (21%; No. = 37) with employee numbers between 1000 and 5000. These two categories of large companies constituted 62% of the entire sample of reporting companies. For smaller companies such as those having less than 100 employees, their representation in the sample was less than 5%. To reveal if larger companies were mostly sustainability reporters, we tabulated different sizes of non-reporters in Table 3.

<Insert Table 3 here>

Within the 273 non-reporters, the largest companies (5000+ employees) accounted for less than 17%, substantially below the 41% representation within reporters. The second largest group with employee numbers between 1000 and 5000 constituted about 29% of non-reporters, which was slightly higher than that of reporters. The representation of smaller companies (less than 1000 employees) within non-reporters was consistently higher than that in reporters in each scale. This comparison clearly supports the previous claim that larger companies are likely to be involved in more CSR and sustainability practices. Most literature suggests that the tendency for larger companies to report more is a means of legitimising their business activities because they face greater public pressure and political scrutiny (Gamerschlag, et al., 2010; Anh Vu & Buranatrakul, 2018). Table 4 presents the industry sectors where the sample companies operate.

<Insert Table 4 here>

The data shows that companies from financial services have the highest representation (23.3%) in the survey sample. This seems to be consistent with many previous studies of the region noting that the financial sector is more engaged with sustainability management and reporting than other sectors perhaps because of their lower environmental sensitivity and higher visibility to the public (Azim et al., 2009; Sobhani et al., 2012).

The manufacturing industries follow the financial sector, representing 25% (equally distributed between manufacturing of consumer and non-consumer staples) of the survey sample. This may be attributed to the rapid industrial development in the Indo-pacific region where manufacturing is a major contributor to economic development. In contrast, three socially and environmentally sensitive industries – Energy and utilities (8%), Materials (6.3%) and Construction (5.1%), are much less involved, which is at odds with prior studies suggesting that all sensitive industries are more likely to report. Similarly, the transportation industry (5.7%), often subject to high energy and emissions scrutiny, also has a low representation among the sample reporters. As expected, other industries with relatively low social and environmental sensitivity, such as healthcare, telecommunication, are the least reporters.

In addition to the survey questionnaires, interviews were used to obtain deeper understanding of the management perceptions on sustainability reporting and stakeholder pressures. Interviews provided a further opportunity to explore different meanings and interpretations of management motivations in a real-life context (Yin, 2013). The interview process also allowed probing questions to follow, through which more insights on the issues of importance to managers in practicing sustainability reporting could surface (Simons, 2009).

A total of 19 interviews from six companies were conducted over the five countries investigated. Interview participants were mainly senior managers and CSR/sustainability managers in the companies based on GRI contacts within each country, which can be considered as convenience

sampling. Although the interview samples were small because of the challenge and difficulty in getting access to companies that were willing to participate, we believe the data obtained from the interviews are complementary and help to provide more definitive answers that supplement the survey findings.

Table 5 provides an overview of the interview sample and interviewee profiles.

<Insert Table 5 here>

Consistent with the survey questionnaire, the interview questions focused on the motivations and impacts of sustainability reporting. The interview questions were largely open-ended. Although there were some variations in terms of specific questions asked in practice because some interviews were conducted in local languages, the essential questions covered across the board were consistent, including the following five sections:

1) What are the demographics of the company (industry, operation location, overseas presence)?

2) What is the role of the interviewees (the position and role in relation to sustainability reporting)?

3) What is the existing reporting status of the company (how long the company has been reporting sustainability information, whether a separate sustainability report or annual report is used, and what reporting guidelines is used)?

4) What are the main internal and external drivers for the company's current sustainability reporting (the importance of various stakeholders)?

5) What are perceived benefits and impacts of sustainability reporting (identify major impacts and other stakeholders that may be affected)?

The interviews generally took 1 to 1.5 hours to complete and were administered and transcribed in English by the GRI. NVivo software was used to classify the data in an organised manner and thematic analysis was carried out to identify the main themes arising from the interviews. The thematic analysis consisted of coding, counting and categorisation of each transcript. The coding process involved labelling and assigning symbolic meaning to the descriptive or inferential data compiled, through which data could be significantly reduced or condensed while themes could be discovered based on the core content or meaning of the code (Miles, Huberman & Saldaña, 2014). As phrases that were used repeatedly by interview participants are considered to be good leads, pointing to regularities or patterns in the setting (Miles, Huberman & Saldaña, 2014), when performing the coding analysis, we conducted counting and categorization of recurring phrases/codes. We considered that counting provided a useful indicator of the importance and prevalence of a given code (Elliott, 2018), and that themes emerge as an outcome of categorization and analytic reflection of the codes identified (Saldaña, 2016). The themes that emerged from the interviews were then interpreted in conjunction with the findings of the survey.

## 4. Result analysis

### 4.1 An exploration of motivations for sustainability reporting

We firstly explore the drivers for sustainability reporting by corporate reporters. Table 6 presents the survey results with regard to the motivations that have a major influence on corporate sustainability decisions.

<Insert Table 6 here>

Given the significant variation in terms of the relative importance of different motivations, we ranked the motivations based on the number of survey respondents indicating the motivation as having a major influence on their sustainability reporting decisions. The results show that the top three motivations are reputational risk/benefits, regulatory requirements and CEO's directive.

The strongest motivation comes from the concern over reputational risks and benefits – nearly 70% of the respondents consider 'reputation' has a major influence on sustainability reporting. The reputational concern reflects various stakeholders' views held about the company, especially those beliefs and opinions held by external members in society and the community. This pressure motivates companies to signal their sustainability commitment so as to enhance the overall image in society. Business managers appear to regard how companies are perceived in society as the most important driver for reporting. Sustainability reporting is construed as a necessary communication tool that helps reporting companies shape public perception and gain public trust and social legitimacy.

The second highest motivation indicated by the survey is regulatory requirements. 109 respondents (nearly 62%) indicated that fulfilling regulatory requirements is the major driver for sustainability reporting. This is perhaps aligned with an increasing expectation of sustainability disclosure and accountability from governments in these developing countries. For example, Indonesia implemented three regulations in relation to social and environmental reporting (Visser & Tolhurst, 2010; Kriyantono, 2015): 1) the *State-Owned Enterprises Law (Law No. 19/2003)* requiring state owned enterprises to allocate a portion of their profit to CSR; 2) the *Investment Law (Law No. 25/2007)* outlining investors' responsibilities with regard to CSR, and 3) the *Limited Liability Company Law (Law No. 40/2007)* which imposes obligations on companies in the natural resources sector to disclose CSR expenditure. Vietnam also issued Circular 155/2015/TT-BTC legislation requiring listed companies to disclose corporate objectives with regard to the environment, society and sustainability. Although other countries have no direct legislative requirements on corporate sustainability disclosure, these countries' environmental regulations, such as the Environment Conservation Act in Bangladesh, and Sustainable Development Act in Sri Lanka, require all relevant organisations to take full responsibility for their social and environmental impacts. These direct and indirect regulatory pressures seem to be effective in changing management's mindset and help develop a sustainability reporting norm within the business community.

The third major influence on sustainability reporting is from the CEO's directive. 105 (60%) respondents consider the CEO's commitment and expectation to be an important internal moral driver for sustainability change. This is consistent with the positive relationship between the moral commitment to sustainability by top management and CSR performance evidenced in literature not only in developed countries (Colwell and Joshi, 2013), but more recently in some developing nations (Yusliza, et al., 2019). Top managers' commitment and felt obligation to sustainability and responsibility are viewed as essential to make sustainability reporting successful and acceptable within organisations.

Table 6 also shows that motivations in close relation to corporate internal operations and economic benefits come through next in the ranking. These include concerns with meeting economic stakeholders' needs, such as investors' interest (58%), market growth opportunities (53%) and requirements by customers (43%), and motivations related to direct operational needs, such as operational risks/benefits (54%), the need for products/process innovation (47%) and

budget/cost reduction (38%). Although these motivations have a direct relationship with corporate operational and economic interests, they are not seen as important as those normative and regulatory drivers listed at the top. It appears that the idea of the business case for corporate sustainability has yet to be embraced by corporate managers in their initiatives for sustainability reporting movement. The instrumental stakeholder approach, through the 'means' of sustainability reporting to achieve the corporate 'end', seems to be subdued. Interestingly, only about 30% of respondents considered employee engagement/retention and the media's interest as having a major influence on sustainability reporting, indicating that the power from employees and media in scrutinizing corporate sustainability performance is still relatively weak and the current participation of these stakeholders in corporate sustainability decisions is low.

The interview results provide further in-depth interpretation of the stakeholder motivations. In addition to the increasing regulatory requirements acknowledged by managers, a recurring theme in the interview data is the belief in "value", "obligation" and "responsibility". These resonate with what is revealed in the survey findings. The interview data consistently point to the normative core of stakeholder communication, with managers perceiving sustainability reporting as a way to demonstrate the value of doing business and enable more positive and efficient communication with all relevant stakeholders in society. This helps businesses grow in reputation and goodwill in the long-term. As some senior managers highlighted, sustainability reporting is essentially

> "to increase the *value* of communication about corporate impact on the environment, society, community ..." (Interviewee 1, Vietnam)
>
> "to identify *material* topics to report, from which the implementation of sustainable development objectives can be developed, along with appropriate policies and resource allocation, to *best meet stakeholder expectations*" (Interviewee 1, Vietnam)

When managers talked about different issues to report on, some followed the GRI standards and started to bring the notion of materiality into decision making. They accentuate the concept of 'responsibility', which is endowed with ethical content, and stress the importance of revealing material impacts of their business activities on society and community members beyond economic concerns. Many interviewees have anticipated the engagement with community people in making sustainability reporting decisions:

> We want *all local people involved* in our CSR activities and that is why we are doing many health care and educational activities in the local area" (Interviewee 1, Bangladesh).

The interviewees also reinforce the significance of commitments from senior management in initiating and maintaining sustainability reporting in their companies. The leadership of, and directives from, CEOs and top management is proven to be a key internal driver for sustainability reporting. This leadership, according to the interviewees, is largely grounded on the felt obligation by their leaders to take sustainability issues on board. Although management commitment helps allocate adequate resources and funds that enable the reporting, it is the "value" and "meaning" of sustainability believed in and committed to at the top level that drive the substantive changes within the organisations.

> "It is the commitment from top management, management that is aware of the *meaning* of the report so that the *actual impact* can be recognised" (Interviewee 6, Indonesia).
>
> "The initiative was coming from me, at the director level. It is aligned with our *mission* statement in running our business as we have *genuine concern* about sustainable development" (Interviewee 10, Indonesia).

Taking the survey and interview results together, it seems clear that although both stakeholder approaches are relevant to the uptake of sustainability reporting, the normative dimension of stakeholder pressures is a stronger motivation compared with the instrumental drivers. The results seem to echo the recent finding by Martin and Moser (2016) that business managers have started to understand the importance of reputational and societal benefits and they make green investments based on societal rather than economic benefits. As a result their green investment costs often exceed the financial benefits.

As previously noted, most reporters are publicly listed companies and the larger the entities, the more likely they will produce sustainability reports. Using the data collected from the survey, we also explore whether motivations are likely to vary between different sizes of companies. Two alternative measures are used to scale the companies from the smallest to the largest. The first measure SIZE1 follows Table 3 which classifies companies into 7 groups while the second measure SIZE2 groups companies more broadly into smallest (<300 employees), small (300-1000 employees), large (1000-5000 employees) and largest (5000+ employees). Companies are assigned a score from 1 to 7 in SIZE 1 and from 1 to 4 in SIZE 2 from the smallest group to the largest group. The measurement for motivations adopts the following rule for all relevant tests below: a score of 3 if the motivation has a major influence, 2 if it has a moderate influence and 1 if it has a minor influence. If the motivation is considered by a respondent as having no influence, zero is assigned. If a motivation is not answered or answered as unsure/don't know, it is treated as missing data and removed from the final dataset for testing motivations. As a result, each company has an aggregated score summing all motivations scores. These are then tested using Kruskal-Wallis rank tests to reveal the effect of size on motivations at different levels. Table 7 reports the results.

<Insert Table 7 here>

The results above show that in general size is not significantly associated with stakeholder motivations. When breaking down the motivations into top three and other motivations, some variations are observed. Size is significantly associated with top three motivations (p=0.047 for SIZE1 and p=0.034 for SIZE2), but no significant relationship can be found between size and other motivations (p=0.678 or 0.574). This means larger firms perceive significantly higher normative and regulatory pressures, such as reputational consideration, regulations and CEO's sustainability commitment, for sustainability change than smaller firms. However, the motivations from other stakeholder needs/pressures for sustainability reporting, such as those economic-related drivers, are similar to smaller firms.

As mentioned previously, developing countries have seen an increasing presence of multinational companies (Chapple & Moon, 2005; Momin and Parker, 2013; Beddewela and Fairbrass, 2015) and domestic companies expanding to international markets are receiving increasing international pressure for sustainability performance (Islam and Deegan 2008). Using the Wilcoxon rank-sum (Mann-Whitney) test, we further examine whether a firm's overseas presence has an effect on their perception of stakeholder pressures. As exhibited in Table 8, a significant association between overseas presence and stakeholder motivations is revealed.

<Insert Table 8 here>

The results confirm that companies with overseas presence are more likely to perceive greater stakeholder needs/pressures (p= 0.035) than domestic companies. Again, the most significant associations occur between overseas presence and the top three motivations (p=0.011). That is,

firms with more overseas engagement are more motivated by normative and regulatory stakeholder pressures than by other stakeholder pressures.

### 4.2 An exploration of perceived impacts of sustainability reporting

Following the exploration of motivations for sustainability reporting, we asked survey participants to reveal their perceived impacts/outcomes after adopting sustainability reporting. Table 9 presents the results of these perceived impacts. Again, we ranked the impacts according to the number of respondents nominating the impact as a major impact.

<Insert Table 9 here>

An interesting aspect of the results in Table 9 is that the top three impacts have clearly changed to economic oriented outcomes, in contrast to the findings for the motivations for sustainability reporting. The highest impacts of sustainability reporting are enhancing investor's confidence (74%), enhancing market competitiveness (63%) and increasing customer satisfaction (63%), all of which relate to the main economic stakeholders of companies. Other impacts, such as reducing regulatory oversight, improving internal operational process, or increasing employee engagement, are seen relatively less important compared with economic impacts from investors, market and customers.

This also coincides with the results of the interviews. One aspect that comes through often in the interview responses to the perceived outcomes of sustainability reporting is that it assists in achieving economic goals, bringing economic revenue, and enhancing business growth and effectiveness. These themes appear repetitive in the interview data:

> "Sustainability reporting process helps to see if we have achieved our *percentage goal of cost reduction* on a periodic basis. We will monitor the trend as to how we achieve our goal. Every company in the group now has a goal for *cost reduction*." (Interviewee 1, The Philippines)

> "It provides an overview of *business risks and opportunities*, and helps assess the *effectiveness* of financial and nonfinancial indicators." (Interviewee 1, Vietnam)

> "This reporting helps better control energy consumption during operation. <Company name> has monitored electricity and gas consumption on a monthly basis. <Company name> has put energy saving and water saving contents into the internal auditing process and assigned the separate unit responsible for *managing the use cost* according to the annual plan and explaining how the fluctuation of energy consumption increases or decreases *the cost*" (Interviewee 2, Vietnam)

The interviewees also highlight that foreign business partners have become very much interested in the sustainability information of the companies when they make investment choices. These international clients and investors are crucial to business economic interests in developing countries. Providing sustainability reports is perceived to help secure more (financial) support from these increasingly important stakeholders:

> "When it comes to our foreign engagement, it is really important with regard to maintaining a good relationship with *foreign investors*. Sustainability reporting as per international guidelines is highly valued by our *foreign partners*." (Interviewee 1, Sri Lanka).

> "When *new clients* come, especially those from the West, they commend that our business philosophy matches theirs. I see this as a *major benefit* brought by sustainability reporting to our business" (Interviewee 3, Sri Lanka).

Due to the continuous nature of sustainability reporting, some interviewees also believe that by conducting sustainability reporting, their companies are able to rectify issues from previous periods, so that the same pitfalls, such as damage to corporate economic revenue, will not be repeated in the coming years:

> "It serves as a guideline. By doing this, the challenges you encountered in the previous period, you will not encounter them again now. You can see when we are preparing sustainability reporting, it prevent from repeating the same kind of mistake that could cause damage to our *revenue* again and again" (Interviewee 1, The Philippines).

The inconsistency of perceived impacts of sustainability reporting and initial motivations for sustainability reporting revealed in both survey and interview data seems to imply that companies in the Indo-Pacific region are taking a more normative-orientated stakeholder approach towards sustainability reporting, motivated mainly by social normative pressures and regulatory requirements in the uptake of sustainability reporting, and less by the pursuit of a business case for sustainability. However, after undertaking sustainability reporting, they perceive more economic benefits that arise out of the reporting process. It is likely that the win-win outcome becomes more appealing to business managers at this stage because of the real impacts they receive in practice.

In addition, similar tests were performed to reveal the effect of size (both SIZE1 and SIZE2) on perceived impacts of sustainability reporting. However, unlike the significant results found in the motivations for sustainability reporting, size is irrelevant with regards to the perceived impacts of sustainability reporting. This means the impacts of sustainability reporting perceived by larger firms are similar to those by smaller firms. Economic benefits are consistently perceived as the most important impacts. Nevertheless, the examination of the association between overseas presence and impacts of sustainability reporting presents some significant results, as shown in Table 10.

<Insert Table 10 here>

Companies with overseas presence perceive significantly greater impacts of sustainability reporting ($p=0.045$). However, in contrast to the top three motivations, the top three impacts have no significant association with overseas presence ($p=0.565$).

### 4.3 Sustainability commitments and the role of motivations

In terms of management perceptions on sustainability commitments, involving their commitment towards the UN's SDGs, the integration level of sustainability in business operations and company leadership commitment, the survey results confirm that these commitments are being developed and stakeholder pressures are important for this development. Table 11 provides a descriptive summary of the broader sustainability commitments.

<Insert Table 11 here>

Table 11 reveals that two thirds (67%) of company reporters have used the SDGs in their reports. This positive result clearly shows that the adoption of SDGs is taking hold among companies in the Indo-Pacific region. Companies in the region are becoming gradually aware of the importance of

SDGs and would like to become the initial adopters despite the lack of mandatory requirements to do so.

Regarding the integration of sustainability to business practice, a majority (over 70%) of the companies have either moderately (38%) or largely (36%) integrated sustainability with business management practices and operations. There are only 2% of the sample reporters that have never attempted such integration, while 15% of reporters have completely integrated sustainability performance into business practice. Most (80%) reporters consider the leadership commitment to reducing the negative environmental and social impacts of business activities in their company as either good (46%) or excellent (34%). This is consistent with the finding that top management support is one of the major motivations for sustainability reporting. Table 12 explores the relationship between the level of motivations and sustainability commitments. Logistic regression and ordered logistic regression (OLR) are used to examine the influence of motivation at different levels on the use of SDGs (binary variable) and the integration of sustainability as well as leadership commitment (both are ordinal variables) respectively.

<Insert Table 12 here>

The results show that there is a strong positive association between stakeholder motivations and corporate sustainability commitments. Firms that perceive a higher level of stakeholder needs/pressures are more likely to use SDGs and integrate sustainability into business performance and operations. All stakeholder motivations seem to have a strong positive association with these two sustainability commitments. The relationship between motivations and leadership commitment to reducing negative impacts is slightly weaker. This is mainly attributed to the weaker association between other motivations and leadership commitment. The result for top motivations and leadership commitment is very strong and positive ($p=0.002$). In line with the previous findings, these results indicate that companies perceiving higher normative and regulatory stakeholder pressures are likely to make greater sustainability commitments.

## 5. Discussion and conclusions

Despite a thriving body of research incorporating stakeholder perspectives, contributing to the still elusive debate on different stakeholder approaches to sustainability reporting in the developed world, few studies have so far explored stakeholder influences on management perceptions of the motivations for, and the impact of, sustainability reporting in the developing contexts. Previous studies of corporate responsibility disclosures in developing countries are dominated by large empirical analysis that links sustainability initiatives to financial interests where economic stakeholders and business cases are perceived as the major driving forces. There is a lack of research exploring the real management views on stakeholder influences and their sustainability reporting practice. Using a survey questionnaire complemented by a series of interviews with business managers in five emerging countries at the Indo-Pacific region, this study investigates the rapidly growing sustainability reporting practice in this region, and investigates how this growing practice is motivated by various stakeholder demands and pressures.

The study finds that corporate sustainability reporting in the Indo-Pacific region is generally driven by normative and regulatory stakeholder pressures. The most salient motivations for the uptake of sustainability reporting are reputational consideration, regulatory requirements and top

management commitment, all of which have little link with perceived economic benefits such as process efficiency or cost reduction. The discussion with business managers confirms that the normative core of stakeholder theory is upheld in the initial decision to undertake sustainability reporting. It is the underlying value of sustainability communication and the perceived obligation to realise this value that have driven the companies, especially their top managers, to pursue and lead the sustainability movement and enhance reputation with the public and society. Companies in this fast developing region appear to be approaching sustainability reporting more from a normative stakeholder perspective rather than using it instrumentally as a means to achieve an (economic) end. This is in contrast to some criticisms raised in previous studies, such as by Fernando and Almeida (2012), that CSR practices in Asia focus much on rising profits and economic benefits, with only a few limited motivations concerning maintaining good relations with the public and communities. The results from this study seem to suggest the much needed moral dimension of stakeholder communication is growing, at least in large multinational companies. The instrumental dimension of the stakeholder approaches is contested as the business case or win-win approach to sustainability reporting is not highlighted as the most important motivation for taking sustainability initiatives. This is particularly the case for large companies as larger firms have perceived higher normative pressures than smaller firms. Companies with greater overseas presence such as MNCs are also found to perceive higher stakeholder pressures.

Interestingly, in terms of the perceived impacts of sustainability reporting, economic related benefits, such as attracting investors, market competitiveness and cost saving, featured prominently in both the survey results and interview data. Having sustainability reports in place also seems to help companies achieve more foreign investment, which is increasingly important to local companies in developing countries. It appears that companies receive a win-win outcome by "doing good", although their "doing good" is motivated more from a normative and regulatory call than from a belief in the business case. In addition, companies motivated by this normative call are more likely to use the UN's SDGs in their sustainability reports, integrate sustainability into their business management practices and operations, and have strong leadership commitment to reducing the negative environmental and social impacts of business activities.

This study contributes to the understanding of sustainability reporting practice in the developing country contexts. Given the different stages of economic development, various societal problems and challenges, and different institutional and political structures in developing countries, it is important to explore the reporting motivation and impact in these countries and the extent to which they follow Western practice as discussed in previous literature (Belal and Momin 2009; Belal et al., 2015; Momin and Parker 2013). The findings of normative motivations versus a business case for sustainability reporting impacts in the Indo-pacific region help inform policy makers, reporting standard setters and companies about areas in need of development and support. In particular, the results suggest that guidelines which promote a two-pronged approach for encouraging sustainability reporting are likely to be more successful in this region. Specifically, policies and incentives are needed in two areas. First, policies and incentives should focus on capitalising on the normative drivers to appeal to companies' appetite for contributing to the improvement of social and environmental outcomes. Compared with economic incentives, increasing social awareness through education and strengthening regulatory requirements may become more effective in these countries, given that obtaining social status and reputation is becoming more prominent for business organisations in this region where the economies are growing and countries are becoming wealthier. Second, policies and incentives need to highlight the potential positive impacts for the companies' performance. Future policies may be directed to

help reporting companies develop mechanisms to strengthen their ability to achieve 'win-win' outcomes.

Nevertheless, this study relies on a small number of cases and focuses merely on five countries in the region. The sample size may limit the generalisability of the results from this study. Future research is needed to conduct more comprehensive investigations in this region and be able to explore actual views and perceptions of diverse stakeholder groups and their alignment with company sustainability reports and their management views.

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**Tables**

**Table 1: Summary of survey participating companies by country**

| | No. of companies | Listed on the main board | Listed but not on the main board | Non-listed |
|---|---|---|---|---|
| Indonesia | 74 | 44 | 21 | 9 |
| Philippines | 40 | 32 | 3 | 5 |
| Bangladesh | 24 | 21 | 1 | 2 |
| Sri Lanka | 20 | 16 | 3 | 1 |
| Vietnam | 18 | 14 | 3 | 1 |
| **Total** | **176** | **127** | **31** | **18** |

**Table 2: Summary of survey participating companies by size**

| **Size (no. of employees)** | **No. of Companies** | |
|---|---|---|
| | Frequency | % |
| 1-49 employees | 6 | 3.3 |
| 50-99 employees | 5 | 2.7 |
| 100-300 employees | 14 | 8.0 |
| 300-499 employees | 14 | 8.0 |
| 500-999 employees | 28 | 16.0 |
| 1000-4999 employees | 37 | 21.0 |
| 5000+ employees | 72 | 41.0 |
| **Total** | **176** | **100.0** |

**Table 3: Summary of non-reporters by size**

| **Size (no. of employees)** | **No. of Companies** | |
|---|---|---|
| | Frequency | % |
| 1-49 employees | 20 | 7.3 |
| 50-99 employees | 17 | 6.2 |
| 100-300 employees | 40 | 14.7 |
| 300-499 employees | 22 | 8.1 |
| 500-999 employees | 45 | 16.5 |
| 1000-4999 employees | 79 | 28.9 |
| 5000+ employees | 46 | 16.8 |
| Unknown | 4 | 1.5 |
| **Total** | **273** | **100.0** |

**Table 4: Summary of participating companies by industry**

| Industry | No. of Companies | |
|---|---|---|
| | Frequency | % |
| Financial services | 42 | 23.3 |
| Manufacturing of consumer staples | 22 | 12.5 |
| Manufacturing/industrials (non-consumer staples) | 22 | 12.5 |
| Energy and utilities | 14 | 8.0 |
| Holding company (diversified portfolio) | 13 | 7.4 |
| Materials | 11 | 6.3 |
| Transportation | 10 | 5.7 |
| Construction and engineering | 9 | 5.1 |
| Agriculture | 8 | 4.5 |
| Hotel and travel | 7 | 4.0 |
| Healthcare | 6 | 3.4 |
| Real estate | 6 | 3.4 |
| Telecommunication services | 6 | 3.4 |
| **Total** | **176** | **100.0** |

**Table 5: Interview sample**

| Country | Industry | No. of Interviewees (companies) | Role |
|---|---|---|---|
| Bangladesh | Financial Services | 4 (1) | Senior Managers |
| Sri Lanka | Manufacturing; Diversified | 5 (2) | Senior Managers |
| Indonesia | Pharmaceutical | 5 (1) | Senior Managers |
| Vietnam | Financial Services | 2 (1) | CSR/Sustainability Manager<br>Investment Manager |
| Philippines | Energy | 3 (1) | Senior Managers |
| **Total** | | **19 (6)** | |

**Table 6: Motivations for sustainability reporting**

| Item | Major influence | |
|---|---|---|
| | % | No. |
| *Top three motivations* | | |
| - Reputational risks/benefits | 69.32% | 122 |
| - Regulatory requirements | 61.93% | 109 |
| - CEO's directive | 60.00% | 105 |
| *Other motivations* | | |
| - Investors' interest and requirements | 57.95% | 102 |
| - Operational risks/benefits | 53.71% | 94 |
| - Market growth opportunities | 52.87% | 92 |
| - Products/process innovation | 47.13% | 82 |
| - Requirements by clients/buyers | 42.86% | 75 |
| - Budget/cost reduction | 38.15% | 66 |
| - Employee engagement/retention | 31.25% | 55 |
| - Media's interest | 30.46% | 53 |

**Table 7: The association between size and motivations at different levels**

| | SIZE1 | | SIZE2 | |
|---|---|---|---|---|
| | *Chi-squared* | *p* | *Chi-squared* | *p* |
| All motivations | 7.086 | 0.313 | 3.486 | 0.325 |
| - Top three motivations | 12.754 | 0.047** | 8.653 | 0.034** |
| - Other motivations | 3.994 | 0.678 | 1.994 | 0.574 |

**Table 8: The association between overseas presence and motivations at different levels**

| | Overseas presence | |
|---|---|---|
| | *z* | *p* |
| All motivations | -2.105 | 0.035** |
| - Top three motivations | -2.550 | 0.011*** |
| - Other motivations | -1.733 | 0.083* |

No. = 171
Have overseas presence = 74 (43%)
No overseas presence = 97 (57%)

**Table 9: Perceived impacts of sustainability reporting**

| Item | Major impact | |
|---|---|---|
| | % | No. |
| *Top three impacts* | | |
| - Enhance investors' confidence | 74.27% | 127 |
| - Enhance market competitiveness | 62.79% | 108 |
| - Increase customer satisfaction | 62.57% | 107 |
| *Other impacts* | | |
| - Reduce the need for regulatory oversight | 55.23% | 95 |
| - Improve reputation management | 50.00% | 84 |
| - Improve production/operational efficiency | 48.82% | 83 |
| - Enhance product/process innovation | 46.78% | 80 |
| - Increase employee engagement and staff retention | 45.03% | 77 |

**Table 10: The association between overseas presence and impacts at different levels**

| | Overseas presence | |
|---|---|---|
| | *z* | *p* |
| All impacts | -2.001 | 0.045** |
| - Top three impacts | -0.575 | 0.565 |
| - Other impacts | -2.111 | 0.035** |
| No. = 165<br>Have overseas presence = 71 (43%)<br>No overseas presence = 94 (57%) | | |

**Table 11: Sustainability commitments**

| Item | Scale | | | | |
|---|---|---|---|---|---|
| Use SDGs | *Yes* | *No* | | | |
| | 33% | 67% | | | |
| Integration of sustainability into business practice | *No integration* | *Slight integration* | *Moderate integration* | *Large integration* | *Complete integration* |
| | 2% | 9% | 38% | 36% | 15% |
| Leadership commitment | *Poor* | *Limited* | *Fair* | *Good* | *Excellent* |
| | 0% | 2% | 18% | 46% | 34% |

**Table 12: The influence of motivations on sustainability commitments**

| | All motivations | | | Top motivations | | | Other motivations | | |
|---|---|---|---|---|---|---|---|---|---|
| | *Coef.* | *z* | *p* | *Coef.* | *z* | *p* | *Coef.* | *z* | *p* |
| Use of SDGs | 0.108 | 3.30 | 0.001*** | 0.334 | 2.92 | 0.004*** | 0.124 | 3.04 | 0.002*** |
| Integration of sustainability | 0.107 | 3.75 | 0.000*** | 0.423 | 4.09 | 0.000*** | 0.117 | 3.19 | 0.001*** |
| Leadership commitment | 0.063 | 2.36 | 0.019** | 0.305 | 3.06 | 0.002*** | 0.060 | 1.78 | 0.075* |