

Sustainability reporting strategy and its determinants among resource-based companies

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Abstract

Corporate social responsibility (CSR) is a management concept that enables companies to incorporate social and environmental concerns into their business operations and stakeholder interactions. Standardized reporting methods have been employed to give stakeholders a clearer understanding of the sustainability objectives and initiatives of businesses. Reporting on sustainability initiatives is now guided by several guidelines, including the United Nations (UN) Global Compact. This study assessed the determinants of sustainability reporting by resource-based companies listed on the two stock exchanges in Zimbabwe. The research objectives were to assess the evolution of sustainability reporting among resourcebased companies and evaluate its drivers using the Global Reporting Initiative (GRI) G4 standards. Data was collected from the annual audited reports of the companies over a period of five years. The study showed that there was an increase in sustainability reporting from 2018 to 2022. The correlation between sustainability reporting and profitability, sales, firm size, and capitalisation revealed weak to moderate relationships. The Tobit regression results show that sustainability reporting is driven by firm size, capitalisation, and sales. There is a need for improved firm size, capitalisation, and sales to improve the sustainability reporting by the resource-based firms in Zimbabwe.

Keywords: Sustainability Reporting, Tobit Regression, Correlation, GRI G4 Standards, Zimbabwe Stock Exchange (ZSE)