



## Sustainability Reporting Practices in UAE Business Firms, the Society, and Stakeholders' Insights

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### Abstract

Organizations are complex entities that operate with a set of internal regulations, instructions, procedures, and achievements that contribute to the successful execution of their goals and objectives. However, these accomplishments may not be widely known, even among most employees, since the effectiveness of organizations is largely dependent on the level of culture and engagement within the organization. In addition to internal operations, organizations must also consider their external relationships with partners and the wider community, which can lead to mutually beneficial outcomes and increased success for the organization. Overall, the success of an organization is multifaceted and relies on a variety of internal and external factors. Effective internal operations, a strong culture and high levels of engagement, and positive external relationships all contribute to the success of an organization.

When discussing the social responsibility of an organization and its contribution to sustainable development in society, it refers to all actions taken by the organization to demonstrate its concern for society and the environment. This includes taking full responsibility for the impact of its activities and taking steps to mitigate them (Yoon, Giihrhan-Canli & Schwar, 2006). However, due to their internal nature, these events and activities may sometimes be ambiguous, and the extent of the organization's role in terms of its capabilities, outcomes, and achievements may not be well-understood.

Therefore, disclosing the reality and extent of an organization's impact on society, as well as how it addresses negative consequences while enhancing positive outcomes, is crucial. The significance of disclosure lies in the fact that it requires organizations to inform their partners, particularly the community, about the true extent of the impact of their activities and operations on society. This includes addressing any negative effects while enhancing the positive ones through annual reports, whether general or specific ones focused solely on corporate social responsibility and sustainability.

In this paper and within the UAE society, we are working on measuring the experience of disclosure and issuing reports for organizations and the roles they play, and the extent to which they achieve these goals. This is done quantitatively by surveying the community's opinion using a general questionnaire, which we measure through awareness and practices.



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The study included 125 participants from the community, and 70% of them did not review any sustainability report issued by any organization in the country. Out of the participants, 80% knew about sustainability reporting, and over 54% belonged to organizations that had not yet released any sustainability reports.

In order to achieve more efforts in the field of sustainable development, it is necessary to raise awareness among members of society about what the organizations they are working for do. Positive performance by organizations within their respective fields of work, particularly within the business sector, can have a significant impact on their market standing.

*Keywords:*

*Corporate social responsibility, sustainability, disclosure, sustainability reporting.*



## Introduction

The social responsibility of organizations is their role in reducing the negative effects of their activities and operational processes on the environment, society, and the economy. This particular role is ethical, meaning that it is not mandatory in all countries of the world. The term CSR only became a popular term in 1960 and reached widespread use across the globe after Edward Freeman published his book *Strategic Management: A Stakeholder Approach* (Cherian & Pech, 2017). Ever since, companies worldwide have been working to adopt this concept because they believe in the need to take into account the society in which they operate and have values and principles rooted in that. On the other hand, certain companies recognize the significant return on investment from building a strong and sustainable relationship with the community. They employ Corporate Social Responsibility (CSR) as a means of demonstrating their concern for society and the environment, as well as addressing broader social concerns. By doing so, they acknowledge their responsibility for the impact of their activities and operations and prioritize their relationships with stakeholders (Yoon, Giirhan-Canli & Schwar, 2006).

The levels of social responsibility adoption in the world differ from one region to another, and perhaps this concept here in the UAE has become crystallized recently with the rise of many government initiatives to increase awareness and encourage the business sector about it. The awareness campaign began with law No. 2 of 2015, which mandates that companies allocate a percentage of their profits toward societal issues. This law has been followed by a number of initiatives, such as the establishment of the Center for Work Ethics by the Dubai Chamber of Commerce and Industry, which has launched the Dubai Brand for Social Responsibility. Additionally, the Ajman Center for Social Responsibility was established, and at the federal level, the National Fund for Social Responsibility was founded during the Year of Giving

in 2017. These government initiatives underscore the importance of the business sector's adoption of social responsibility.

Corporate social responsibility encompasses a broad range of areas and topics across its three main dimensions: the environment, society, and the economy. It involves organizations from inside and outside, so corporate social responsibility is where organizations are active beyond work requirements to add social value to the community and the planet. The European Union's corporate social responsibility has also been defined as the full responsibility an organization bears against the impact of its business activity on society and the planet (Tian, Liu & Fan, 2015). That is, it focuses on the sustainability of systems affecting its internal environment as well as its business environment in the market and society. Here, we will focus on an important aspect related to the internal work environment, which can greatly affect the image of organizations in society. This aspect pertains to frameworks such as governance and transparency, which require organizations to disclose certain information. We will explore this topic from two angles.

The first aspect is that disclosure considers the strength of organizations and their ability to disclose their papers in full to their partners, which reflects the extent of their confidence in their capabilities in the governance of their business and the establishment of all levels of administrative and organizational control to avoid institutional risks and the opportunities they include from corruption, loss of justice and low equal opportunities (Masum, Hasan, Chowdhury & Tuhin, 2020). This sustainability reporting and disclosure has two primary motivating factors, the characteristics of the board of directors and the characteristics of the company. The world is facing resource scarcity and increasing negative effects of production activities and operations. This calls for greater accountability and transparency from organizations, which in turn instills confidence in the community and invites them to act as



watchdogs over their work. This confidence is always emanating from organizations that have spared no effort in controlling their activities and work to the fullest extent possible. The act of disclosure seems to invite partners to identify any flaws or errors, which is the ultimate goal of transparency. A study by Masum, Hasan, Chowdhury, and Tuhin (2020) found that only 11% of the sample met the sustainability criteria. Additionally, the study concluded a significant correlation between disclosure and the characteristics of the board of directors, leaders of organizations, and planners in general.

This may go further as the practice of sustainability reports develops in any area of the general performance of social responsibility in it, thus improving the performance of these bodies financially for the business sector (Garg, 2015). Still, it is considered one of the tools for attracting investors and managing talents for that. Therefore, commercial companies are keen to export sustainability reports in a comprehensive and sustainable manner.

The second aspect pertains to the community and stakeholders' awareness of the organization's activities. The efforts of organizations are inherently focused on people's comprehension of them, which, in turn, is reflected in and strengthens their relationship with them. An example of the impact of sustainability reports can be seen in the Turin Olympic Games of 2006. The reports were found to have a significant influence on the analysis and discussion of the contribution to the development of the post-event hosting areas. Organizing the Olympic Games has multiple impacts on the host city or region, including physical, economic, environmental, social, cultural, and political impacts (Frey, Iraldo & Melis, 2008). This pushes the organizations to more work and investment in the areas of social responsibility and greater adoption of this concept and its appendices. However, there may be a discrepancy between sectors in this field of disclosure, as some industries, such as petroleum or

those in a very competitive environment, are subject to great pressure often from the government towards exporting these reports and not exporting them significantly affects their performance in the market (Nilipour, Silva & Li, 2020). In addition, knowledge and its spread will also put pressure on all organizations. Tian, Liu, and Fan (2015) found in their study of CSR in the China market that ethical leadership and external stakeholders are the main drivers of CSR in organizations. Therefore, the greater the pressure on organizations, the greater their commitment to corporate social responsibility (Tian, Liu & Fan, 2015). In particular, the third sector is vital in exporting its reports, as this is linked to the right of all donors and donors to know the ways to dispose of the budgets of these institutions in the third sector, which is the public benefit sector (Gazzola, Amelio, Papagiannis & Michaelides, 2019). Not only that but exporting the bottles enhances donors' confidence in these community institutions.

In general, even when organizations publish their reports, the question remains whether these reports are easily understandable and accessible to partners and the community. This challenge represents another obstacle to sustainable development today. After discussing the entities responsible for disclosing information, another equally important question arises: do these reports actually reach stakeholders, are they easily understandable, and do they yield the benefits discussed earlier?

This paper examines the size of the practices of exporting sustainability reports in the United Arab Emirates, the size of the organizations that issue or the times of export, and the extent of the impact of these reports on partners and the community, whether access or ability to read and their interaction with it and how or the relationship between them.

#### **Literature Review**

Carroll (1979) certainly prioritized CSR when he saw it as focused decision-making. Carroll advocated the need to provide managers with a clear concept



of social responsibility and a list of reasons for its existence. And this system is not only specific to society but also discusses business-related solutions, which he asserted can transform both businesses and the economy and possibly improve profitability. Therefore, social responsibility is a performance not only for preserving the environment and the well-being of community members but also has a great return on the organizations themselves due to the good and fruitful relationship with its partners.

As a way to expand the concept of social responsibility beyond just society, Elkington (1998) introduced the term "triple bottom line" (TBL). The TBL consists of three parts: economic outcomes (profit), social outcomes (people of society), and environmental outcomes (the planet). It's a framework that highlights the importance of organizations considering their impact on all three areas in order to be socially responsible. This concept is widely used today among organizations focusing on three aspects of the environment, society, and economy, and the effects of each organization on these aspects. Environmental and social risks, which have become increasingly apparent over the past years and in parallel with governance issues and the requirements to stimulate large capital towards sustainable development, have led to the emergence of responsible, environmental, and social financing that depends mainly on the degrees of governance (Ding, 2022).

Using the term "governance" as a replacement for "economy" in earlier discussions about social responsibility could be seen as an important development highlighting the growing emphasis on disclosure. This shift is reflected in the emergence of the ESG concept, which is now seen as a means to meet the needs of both shareholders and stakeholders. Through sustainability and disclosure reports, ESG provides stakeholders with the information they need to evaluate a company's practices. This agrees with stakeholders' theories, enhances the organization's long-term performance

and contributes to its growth, and creates stable value for it (Brammer & Millington, 2005). This idea was also put forward by (Porter & Kramer, 2002) in their study on the positive competitiveness of institutional charitable work and its role in improving the company's reputation and increasing its competitiveness.

In general, and under what framework the organization operates or establishes its business within its social responsibility, companies are increasingly working to reveal sustainability indicators or the extent of their commitment and realization of their social responsibility through their reports on sustainability on all their platforms and channels available to them in general, as a key factor to attract the interests of the community and its partners (Ning, Yim & Khuntia, 2021). In addition to the recent requirements or the increasing focus of investors on these reports, investors demand clarity in the intangible assets component of the company's valuation. Non-financial indicators, such as an organization's societal performance, have become increasingly important. Many agencies and organizations that evaluate and grade the performance of companies worldwide, including Bloomberg, Thomson-Reuters, and Dow Jones Sustainability, now include indicators of organizations' societal commitment as part of the reporting process. In addition, they rank the company's value using disclosure performance or sustainability reports (Avetisyan & Hockerts, 2016).

The world is increasingly concerned with environmental and societal issues, as well as the scarcity of natural resources. Therefore, there is a growing interest in monitoring the actions of organizations and how they deal with these issues, from reducing their negative impact to implementing solutions. To meet this need, sustainability reports produced by these companies are analyzed and studied to scrutinize their performance. This enables a better understanding of the efforts made by organizations to reduce their impact on the environment and society (Bednárová,



Klimko & Rievajová, 2019). This leads companies to either realize and assume this responsibility or find themselves under societal pressure to do so (Margolis & Walsh, 2003).

Sustainability reports or disclosure reports on the efforts of organizations in their commitment to the community inform all non-financial indicators that reflect the company's long-term resilience. This is done by fully integrating social and environmental goals with financial goals and justifying the effects of activities on a greater number of society and partners than by preparing, exporting, and publishing disclosure reports (Oprean-Stan, Oncioiu, Iuga & Stan, 2020). On the other hand, the preparation of corporate social reports, sustainability reports, and disclosure is seen as an answer to the expectations of society and partners, where information related to employees and employment of minorities or women, and work-life balance is among the most important matters of interest to society and partners (Maj, 2018).

According to Krzus and Thornton (2011), sustainability reports can help companies align their goals with the community and stakeholders' expectations, assess their achievements, and make improvements to become more sustainable. Sustainability reports can help companies communicate their position within the community and share their achievements and shortcomings, strengthening their brand. Additionally, these reports hold companies accountable for meeting their sustainability goals. This represents the core value that sustainability reports provide to society and partners in terms of a company's image that reveals its activities related to both economic, social, and environmental activities that affect not only its performance but also the performance of the market in which it is located (Caesaria & Basuki, 2017). The higher the aspects of the disclosure in the sustainability reports, whether economic, environmental, or social, this growth will improve the performance of the organization's market, and

thus it can attract the attention of market trends to its performance.

A study by Oprean-Stan, Oncioiu, Iuga, and Stan (2020) found that sustainability reporting and inadequate management of environmental, social, and governance factors can have an impact on companies' performance and sustainable growth. However, the study also showed that sustainability reports might not necessarily be important for evaluating companies' financial performance. This is because there is often a discrepancy between the reporting periods for non-financial indicators and measuring financial performance. Societal and non-financial indicators may require longer periods of two years or more to evaluate properly. However, they concluded that there is a clear improvement in the financial performance of companies through the export of sustainability reports. This is supported by a study conducted by (Nazari, Hrazdil & Mahmoudian, 2017) on a sample of large American companies across several different sectors, where the study concluded a positive correlation between actual corporate social responsibility performance and the volume of corporate social responsibility disclosure and the export of their reports.

The research (Nazari, Hrazdil & Mahmoudian, 2017) also addressed an important aspect beyond the disclosure stage, which is the ability to read what was disclosed, as they considered that the use of language less readable or understandable by the community and stakeholders is evidence of the grayness of the disclosed data and is part of from obscurity, not disclosure. The effectiveness of disclosure tools used by companies that practice them is an important question, as well as the level of acceptance of these tools by society and partners. Additionally, it's important to consider how easy these tools are to read, understand, and use. The question at hand is whether disclosing information about sustainability is beneficial for partners and if companies that do not disclose or provide limited and complicated information are concealing something. On the other hand, companies with



better societal performance tend to provide more detailed and easily readable reports, which suggests their transparency and commitment (Nilipour, Silva & Li, 2020).

Companies may face challenges in producing sustainability reports if the relevant data is of poor quality or unavailable. This can make it difficult to measure and improve sustainability performance.

Therefore, the significance of sustainability reports lies in their role as an effective tool for evaluating companies in the United Arab Emirates. This paper aims to shed light on the current practices being implemented by organizations in the country.

### Hypothesis

This study seeks to identify the real performance of the practices of exporting sustainability reports in the United Arab Emirates and the extent of the usefulness of these reports to the community and the companies concerned. Accordingly, the following research questions were formulated:

**Question 1:** Do the community and stakeholders follow the sustainability reports issued in the UAE?

**Question 2:** Is the reporting form used and most popular in the UAE easy for the community and stakeholders to read?

**Question 3:** Do issuers of sustainability reports track feedback on their performance on those reports by the community and stakeholders?

**Question 4:** Do the community and stakeholders prefer a third party to audit sustainability reports issued in the UAE?

Based on the research questions presented above, the study predicted four hypotheses for testing and investigation. The first hypothesis revolves around the volume of sustainability reports that the authorities in general export and disclose their non-financial performance in them, the active role of exporting these reports in the UAE, and the extent of their access to the target audience. The hypothesis is as follows:

**Hypothesis No. 1:** Exporting sustainability reports in the UAE does not achieve its purpose of the awareness of society and partners about the performance of companies.

Then the study looks at the most used models, the way sustainability reports are published in the UAE, and the channels used while these practices are compatible with the community and partners, assuming the following hypothesis:

**Hypothesis No. 2:** The most common and used model for sustainability reports in the UAE has a positive impact on the society's and partners' receiving of the disclosed information.

Disclosure is an important part of the process of governance of operations and activities and the involvement of partners, but the other part of this practice is tracking the partners' views on what has been disclosed and receiving comments or inquiries about any of the indicators or data that have been shared, and here the hypothesis was as follows:

**Hypothesis No. 3:** Companies issuing sustainability reports in the UAE do not track their partners' feedback on the information contained in those reports.

Society cannot deliberately adopt a certificate issued by the same entity and inevitably ratify it, as this situation greatly helps to present opportunities for administrative corruption and falsification of facts. Automatically and normally by a third party, there is also a need for another neutral party to check the accuracy of what is being disclosed. Accordingly, the following hypothesis was developed:

**Hypothesis No. 4:** The presence of a third party auditing the sustainability reports issued in the UAE has a positive impact on the satisfaction of society and partners.



The hypothesis suggests that having a third party auditing the sustainability reports issued by companies in the UAE has a positive impact on society and partners' satisfaction. This is because relying solely on a company's self-disclosure may lead to concerns about the accuracy and reliability of the information provided. A neutral third party can provide an independent and objective evaluation of the information presented in the sustainability reports, thus increasing trust and confidence in the reports. This, in turn, may result in higher satisfaction among society and partners who rely on the information in the sustainability reports to make informed decisions about the company's social and environmental impact.

### **Methodology**

The quantitative research methodology was chosen, and the use of questionnaires as a performance to investigate the opinion of the community on the subject of the research. This framework and research methods are provided within the research strategy, and this reflects the overall design of the questionnaire structure and creates a clear path that enhances the causality of the selected sample size, study mechanisms, and analytical frameworks within which the results of this will be subjected to the survey.

To investigate sustainability reporting practices in the United Arab Emirates, a survey method was chosen. The survey consisted of 11 questions, including two demographic questions, one open-ended question, and eight questions related to the research topic. The purpose of the survey was to gather information from community members and understand their expectations regarding sustainability reporting practices in the UAE. The research used an electronic questionnaire via the questionnaire's website ([www.surveymonkey.com](http://www.surveymonkey.com)), and a link to the questionnaire was formed through the website and sent randomly to the UAE community through e-mail and via the addresses of

the WhatsApp messaging program, as well as the link being put on social networking sites.

The research subject dealt with a geographical scope within the UAE, where the study focuses on measuring and testing the subject within the state's borders. The research was conducted between October 22, 2021, and May 8, 2022, with the aim of shedding light on sustainability reporting practices in the United Arab Emirates. In addition to gathering information through the questionnaire, the study also aims to raise awareness about these practices and their importance. By participating in the study and responding to the questionnaire, individuals will be contributing to the community's knowledge about these practices, which can ultimately influence future corporate behavior.

The research structure was built to reach the most accurate results through the property of transgressing the subsequent questions that do not apply to the sample according to the previous answer. This question while their answers were positive, they will be asked about their experiences with the sustainability reports issued in the UAE; while they were negative, the questions that measure the experience will be skipped.

The researchers used the Krejcie & Morgan sampling table, a well-known tool in research methodology, to randomly select 150 participants from the UAE community. These participants completed the questionnaire and answered all questions, resulting in a completion rate of 85%. This means that the sample collected was only two people short of the intended number.

Due to the current circumstances related to the Covid-19 pandemic, the research team opted for a small sample size. The pandemic has brought significant changes to people's lives, resulting in closures and restrictions imposed by the government and individuals' self-imposed limitations. These changes have also altered the community's priorities and perspectives. As a result, obtaining a larger sample size was challenging. Therefore, the research team decided to work with





the predetermined sample and accepted the total number of participant.

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size  
"S" is sample size.

Source: Krejcie & Morgan, 1970

Table 1: Determining sample size from a given population (Krejci and Morgan, 1970)

**Results**

The research has gathered a diverse sample that is representative of society and also includes a significant portion of employees and entrepreneurs, with 80% of the participants falling into these categories. This makes them highly likely to have a direct relationship with the export of sustainability reports, either through their work or business ownership. The remaining 19.2% of the sample are non-working community members who are still considered part of the community and have valuable perspectives to offer.

Government sector	36.00%
Private sector	40.00%
NGO sector	0.80%
I'm Entrepreneur	4.00%
Not applicable	19.20%

Table 2: Working Fields

For the next demographic question, the community was categorized based on the most common classifications of institutional partners and entities, which included investors, shareholders, legislators, government regulatory agencies, suppliers, employees, and individuals from the community who belonged to any of these classifications. In cases where a member of the community belonged to more than one classification, they were asked to choose the main classification they identified with. The highest percentage of participants in the survey were employees, making up 48% of the sample. The next largest group was members of the community at 36%, while the remaining classifications each had small percentages ranging from 2% to 5%. Out of all the partner classifications, 55.2% were either working, studying, or interested in sustainable development and corporate social responsibility issues.



Investor in one or more organizations in UAE	4.80%
Shareholders in one or more organizations in UAE	3.20%
Represent a legislator government entity for organizations activity in UAE	5.60%
Supplier for one or more organizations in UAE	2.40%
An employee in one of the organizations in the UAE	48.00%
Not Applicable (I'm only a society member or customer for most organizations in UAE)	36.00%

Table 3: What stakeholder group do you mostly belong to besides being a society member or customer for most organizations?

The study investigated whether the sample had knowledge, or a habit of tracking sustainability reports issued in the UAE and reviewing their contents. The results showed that 20.4% of the sample had never heard of sustainability reports before. Additionally, 48% of the sample had heard of these reports but had never reviewed or read any of them before, making a total of 70.4% of the sample who had not seen a sustainability report issued by any institution within the UAE. The remaining sample was divided into four groups. The first group, comprising 15.2%, reviewed between 1-3 sustainability reports issued in the UAE. The second group, which consists of 10.4%, reviewed more than 5 sustainability reports issued in the UAE. The third group, which consists of 4%, monitors sustainability reports on a regular basis. Finally, there is a group of 70.4% of the sample who have never seen a sustainability report issued by any institution within the UAE.

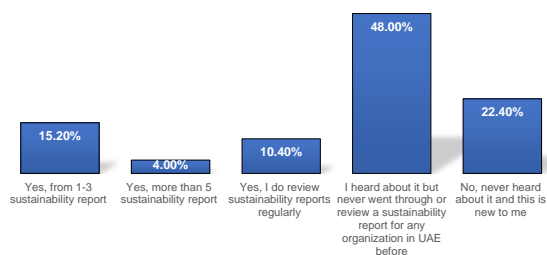


Chart 1: Did you go through or review a sustainability report for any organization in UAE before?

The next part of the study focuses on the ability of the sample to read and comprehend the most common forms of sustainability reports in the UAE. This part of the study only pertains to 29.6% of the total sample who have viewed sustainability reports

at least once, and among this group, 42.3% found the reports easy to understand and navigate, while 40% of the sample had no opinion on the matter. Only 9.4% of the sample had a negative view of the reports' readability.

The next part of the questionnaire aimed to test the efforts made by issuers of sustainability reports in the UAE to obtain feedback from the community and its partners. The study found that 56.4% of the sample had never been contacted for their views on the disclosed data. On the other hand, 43.53% of the sample had been contacted through various means, including research groups (1.1%), questionnaires (18.8%), direct communication (8.24%), and other innovative methods (15.2%).

The survey also asked about the existence of a government-regulated platform that would contain all the sustainability reports issued by organizations in the UAE that have been audited. The results showed that 72.62% of the sample supported this idea, while 20.24% had reservations, and the rest did not find it feasible. Additionally, 69.81% of the sample preferred the presence of a third party to audit sustainability reports issued in the UAE. Out of this percentage, 30.1% preferred the third party to be a government entity, while 22.64% were unsure, and 7.5% opposed the idea.

The survey also asked about the preferred channels for publishing sustainability reports in the UAE, according to the community and stakeholders. The top choice was the entities' websites, with a total score of 3.84 points, followed closely by the communication websites, with a score of 3.75 points. The third choice was printing and distribution to concerned parties, with a total score of 2.34 points. The fourth preferred option was to attach the reports to the services and products produced by the entities, with a score of 3.77 points. Lastly, traditional media such as television, radio, and local newspapers were the least preferred option, with a total score of 2.30 points.

In terms of the working sample, when asked about their institutions' issuance of sustainability reports,



16% stated that their institutions have been issuing reports for 1-3 years, while 12.2% reported that their institutions have been issuing reports for more than 5 years. Additionally, 17.9% of the sample reported that their institutions generally issue annual reports that include a chapter on sustainability, which is matched by the percentage of institutions that have never issued sustainability reports. Finally, 35.8% of the sample stated that exporting sustainability reports does not apply to their institutions.

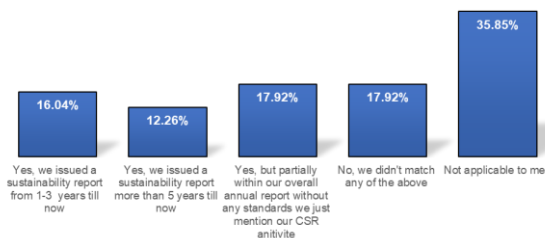


Chart 2: Does your organization issue sustainability reports?

In addition, the study's open-ended question revealed that the sample expressed their desire for more research on sustainability within the UAE context. Some participants suggested that more effort should be made toward promoting and increasing awareness about sustainability in the country. Others even questioned the effectiveness of the current sustainability reports issued in the UAE and whether they are truly fulfilling their intended role.

### Discussion

After obtaining the results, the study tested the solidity of the hypotheses developed in advance based on the research questions to consider the extent of the hypothesis's compatibility with the results of the research and the opinions of the sample that participated in the survey on the status of practices for issuing sustainability reports from the authorities in the UAE. This research is valuable because it examines sustainability reporting in the specific context of the UAE, which has unique

political, social, cultural, and economic factors that influence the development and reporting of corporate social responsibility (CSR) activities. Comparing this research to studies on the same topic conducted in other parts of the world is important because different contexts can impact the feasibility and value of sustainability reporting for society. For instance, variations in the political, social, cultural, and economic environments can affect the reporting of CSR activities and the impact of sustainability reporting (Tilt, 2016).

The first hypothesis of the study was about whether sustainability reports in the UAE actually serve the purpose of raising awareness among society and partners about the performance of companies. The research supports this hypothesis, as it found that 71.69% of the sample's institutions do not issue separate sustainability reports, and only 17.9% include sustainability data in their annual general reports. Additionally, 70.4% of the research sample did not see any sustainability reports issued by organizations in the UAE, and among the small percentage that did review the reports (only 29.6% of the sample), 40% reserved their opinion and 9.4% had a negative response, indicating that 49.4% of those who reviewed the reports found them unreadable. Furthermore, 56.4% of the sample who had seen a report were never contacted for feedback on the disclosed data, which is an important element of accountability. This finding supports hypothesis No. 3, which suggests that companies in the UAE do not track the feedback of their partners on the information contained in their sustainability reports, as noted in the literature reviewed. Overall, the study supports the idea that sustainability reports in the UAE are not effectively serving their intended purpose.

Despite the evidence supporting Hypothesis No. 1, the research could not fully accept Hypothesis No. 2, which tested whether the most commonly used model for sustainability reports in the UAE has a positive impact on society and partners receiving the disclosed information. Only 50.59% of the



sample who reviewed the reports even once found the common models for exporting reports in the UAE to be readable, which is a small percentage compared to the total sample. This percentage represents only 11.96% of the total sample.

Overall, hypothesis No. 3 and Hypothesis No. 4 are closely related. Hypothesis No. 3 suggests that companies in the UAE do not track feedback from their partners on sustainability reports, while Hypothesis No. 4 tests the impact of having a third-party audit on the satisfaction of society and partners. Having a third-party audit is important for ensuring the quality, accuracy, and validity of the non-financial performance data that companies export. Literature supports the appointment of a third party for strengthening organizations that report their non-financial performance data.

The sample showed a strong preference for a government-supervised platform that would contain all the sustainability reports issued by organizations in the UAE that have been audited. This indicates a desire for impartiality to ensure the credibility of these bodies, raise the satisfaction of society and partners, and enhance their confidence in them. Of the sample, 69.81% expressed their approval of the presence of a third party to audit the sustainability reports issued in the UAE. Among those who approved, 30.1% preferred the auditing party to be a government entity, while 22.64% reserved their opinion, and 7.5% rejected the idea altogether. A significant portion of the sample, 72.62%, agreed on the need for a government platform that publishes audited reports and their evidence. This is because of the future importance of this topic, whether in collecting and building the decisions of investors in the business sector or supporters and donors in the business sector for public benefit.

### **Conclusion**

One of the limitations of this study is that it focused on testing the practice of exporting sustainability reports in the UAE based on four developed hypotheses. While the study drew

attention to the current practices and their feasibility, it also aimed to raise awareness among stakeholders from various sectors and society as a whole about the importance of exporting relevant reports. It highlighted how this could contribute to improving the financial performance of organizations and increasing the confidence and investment desires of investors in the business sector, as well as the confidence and support of donors and supporters in the public sector or third sector.

To achieve the desired outcomes from optimal applications of sustainability reporting, it is important to draw attention to the topic and the potential returns it can bring to the organization, its partners, and society. Whether through formal or informal means, it is essential to highlight the importance of sustainability reporting and its role in driving positive social, economic, and environmental outcomes.

There are several potential avenues for further exploration stemming from this study. One possible direction would be to examine the impact of sustainability reports on organizations that effectively implement this practice and ensure that such reports are disseminated to their partners, followed by soliciting feedback. Another area for investigation could be the extent to which investors in the UAE prioritize sustainability-related factors when making investment decisions, including the frequency and nature of such decisions. Additionally, the potential ramifications of failing to produce and distribute sustainability reports for public benefit organizations across various domains and specialties could be examined.

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