

Materiality of Non-financial Sustainability Disclosures: Implications for the Business Enterprises in Bangladesh

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ABSTRACT

In disclosing non-financial sustainability information, materiality of information may be a crucial factor to be considered, which is a new concept in sustainability reporting area. It outlines the significance of materiality assessments while realizing the content of sustainability reports with the identification of those economic, environmental and social issues that matter most to a company and its stakeholders. In this regard, GRI guidelines have been considered worldwide as a tool of disclosing non-financial material sustainability information by the business enterprises. The paper reviews relevant literature as methodology and discusses the conceptual framework of non-financial disclosure of material sustainability information and its implications for the business enterprises in Bangladesh. The paper finds that non-financial disclosure of material sustainability information is at a very nascent stage in Bangladesh and there is ample scope to disclosure of non-financial material sustainability information for the business enterprises in Bangladesh.

Key words: Materiality, non-financial disclosure, material sustainability information, sustainability reporting, GRI guidelines

INTRODUCTION

The concept and term of 'sustainability' have been evolving over the time (Rezaee, 2016). Classically, sustainability is used interchangeably based on 'sustainable development' which is defined broadly by World Commission on Environment and Development (WCED, 1987, p. 8) and focused on long time perspective in environmental, social, and economic context. Elkington (1997) linked the concept of sustainability in the case of business entities by terming it 'triple bottom line' of a company that covers economic, social and environmental aspects of a company. It is related to maintaining the physical and natural environment of a company while considering the economic and social considerations for doing business targeting the long-term value creation.

'Sustainability' is related with several contemporary business and reporting practices which include corporate social responsibility (CSR), corporate sustainability, corporate citizenship, integrated reporting, and sustainable entrepreneurship (Reddy and Gordon, 2010). More firms around the world use the word 'sustainability' instead of CSR (Khan et al. 2016). This paper does not

draw any distinctions between sustainability and related terms.

The company stakeholders are increasingly emphasizing on the disclosure of its sustainability issues for the last few years (Tînjală, 2015) and sustainability reporting has become a progressively pertinent topic in the area of business and academia (Christofi et al., 2012). The generic term 'sustainability reporting' is used synonymously with 'Triple Bottom Line Reporting,' 'Corporate Responsibility Reporting,' 'Corporate Citizenship Report,' and 'Community Report,' (Milne, and Gray, 2013). This paper uses the term 'sustainability report' for referring to mentioned variations of the term. The term 'reporting' and 'disclosure' are used in this paper interchangeably. For the last five decades (Perez and Sanchez, 2009) companies are disclosing their sustainability information which covers economic, social and environmental issues.

Compared to companies' financial reporting context, sustainability reporting is still in infancy (Tschoop, and Huefner, 2015). A sustainability report is a primary and leading concept to the companies' non-financial disclosure of sustainability issues.



Companies' disclosures of non-financial sustainability reporting are encouraged by statutory as well as voluntary disclosure initiatives and guidelines (Milne, and Gray, 2013) which may be a stand-alone report or be integrated into the annual report as well as in their websites. Sustainability reporting is a tool for communicating sustainability information to a varied group of stakeholders (Gray et al., 2014, p. 3 and p.8) and as such the concept of disclosing material sustainability information to the stakeholders is vital.

The materiality of non-financial sustainability information disclosure is a new concept in the sustainability reporting area, which outlines the significance of materiality assessments while realizing the content of sustainability reports (Unerman and Zappettini, 2014; Edgley et al., 2015). Materiality disclosure of non-financial sustainability information is related with recognizing those environmental, social and economic issues that matter most to a company as well as to its stakeholders.

Capital market participants are increasingly valuing companies with good environmental performance (Dhaliwal et al., 2012). There are some assumptions that the companies which disclose enough on the economic, social and environmental performance, should be valued highly in the capital markets, the results are not conclusive. Investors seem to respond positively to desirable sustainability information.

More than 8,000 global public companies are disclosing their non-financial environmental, social and governance (ESG) information through sustainability reports or in combination with other company reports (Rezaee, 2016 and 2017), which indicates its importance. Increased disclosure of sustainability information by the firms through non-financial reporting helps renew the trust of their stakeholders (including investors/shareholders, regulators, and consumers) in them as well as allowing the stakeholders to make informed decisions (Lydenberg, 2012). A large number of empirical studies (Moskowitz, 1972; Parke and Eilbirt, 1975; Vance, 1975; Sturdivant and Ginter, 1977; Abbott and Monsen, 1979; Cochran and Wood, 1984; Ullmann, 1985; Griffin and Mahon, 1997; Waddock and Graves, 1997; McWilliam and Siegel, 2001; Van Dijken, 2007; Lin et al., 2009; Flammer, 2013; Lu, and Taylor, 2015; Choi and Moon, 2016; Kang et al., 2016; etc.) focused on CSR or ESG information and how such information impacts company performance. However, the studies did not investigate whether this information is material or not. A few studies (Khan et al., 2016; Amel-Zadeh, 2016; Lins et al., 2016; Jones et al., 2016; Eccles et al., 2012; Font et al., 2016; and Ong et al. 2016) that have been conducted so far in this area are based on the developed countries' context such as USA, UK, and Australia. As such it is relevant and significant to explore the concept of materiality of disclosure of non-financial sustainability information in the context of a developing country like Bangladesh.

Identifying the materiality of the non-financial sustainability information will add to the literature in a field that is increasingly gaining importance and guide the companies worldwide on what or what not to disclose. It will also generate useful information for corporate leaders and other policymakers in Bangladesh.

The broad objective of this paper is to discuss the conceptual framework of non-financial disclosure of material sustainability information and its implications for the business enterprises in Bangladesh.

After discussion of introduction and background in section 1, the article proceeds with the theoretical underpinning of non-financial disclosure of sustainability information in section 2. Section 3 continues by defining materiality in the context of non-financial disclosure and use of global reporting initiative guidelines. It further discusses non-financial disclosure of material sustainability information and its implications for the business enterprises in Bangladesh in section 4. Section 5 concludes the article.

NON-FINANCIAL DISCLOSURE OF SUSTAINABILITY INFORMATION: STAKEHOLDER THEORY AND LEGITIMACY THEORY

There are two major theories in sustainability research, namely, stakeholder theory and legitimacy theory that offers a broad theoretical understanding about companies' approach to recognize the stakeholders' expectations and companies' legitimacy as seen by the social system in which they operate. Political economy perspective is the basis of both the theories (Deegan, 2002). Although there are differences in the conceptual framework of these two theories, the two overlaps (Deegan, 2002; Gray et al., 1995) and they focus on the interrelations between the organization and its surrounding environment in which it operates (Neu et al., 1998).

Stakeholder theory

Stakeholder theory provides a link between a company's stakeholders and its activities. Accordingly, in the form of a report, the stakeholders can be informed about companies' sustainability disclosures (Herremans, Nazari, and Mahmoudian, 2016). Stakeholders may affect a company's actions, objectives and policies, as well as they, may also be affected by the company. The organizations are likely to satisfy the stakeholders' demand as the stakeholder resources are critical to the achievement and viability of the organization (Ullmann, 1985). Also, the success of an organization is related with the fulfillment of the stakeholders' demand for organizations' different economic, environmental, and social information (Buchholz and Rosenthal, 2005; Laplume et al., 2008). Through sustainability report, an organization may try to meet the increasing stakeholders'

demand for sustainability information (Deegan and Rankin 1997; O'Donovan, 2002; Ho and Taylor, 2007; Crawford and Williams, 2010).

Russo and Perrini (2010, p.209) states, "Non-financial reports are the means through which corporations become accountable for their strategy toward relevant stakeholders. Stakeholder theory taught good managerial and instrumental practices to firms". Sustainability reporting caters to the information requirements of different stakeholders by explaining them about companies' efforts to their information needs (Font et al., 2016). Thus, companies cannot deny the influence of their stakeholders while pursuing the creation of value through the companies' activities.

Legitimacy theory

Different sustainability disclosure related studies have been using the legitimacy theory. The widely used area of this theory is related with companies' environmental and social disclosures (Campbell et al., 2003, Tilling, 2004) and corporate disclosures are made to legitimize corporate actions (Guthrie, and Parker, 1989). Moreover, Cho et al. (2015) consider legitimacy as an imperative factor that affects environmental and social disclosures of a company.

Sustainability disclosures by the companies may increase their acceptability among different stakeholders within the social system. In this consideration, Talcot views legitimacy as the "appraisal of action in terms of shared or common values in the context of the involvement of the action in the social system" (Talcott, P., 1960, p. 175). According to the legitimacy theory companies must act upon a society's larger social system as well as a value system and legal framework to continue its operations (Lindblom, 1994, p. 2). Therefore, there is a need for congruency between existing social values and companies' business activities as well as information disclosure.

According to this theory, companies disclose sustainability information to increase the perception of the public about the companies' sustainability performance (Deegan, 2002). Besides, companies can gain competitive advantages over their contestants by disclosing adequate information to the relevant communities and societies (O'Donovan, 2002). On the other hand, companies may get the punishment for losing their license to operate in society if they breach a society's norms and expectations (Faisal et al., 2012). Thus, legitimacy theory posits that there is an implicit social contract between a business entity and society, conformity of which may be beneficial for a company or it may be detrimental for a company if it does not follow the society's values and norms.

The underlying process captured by these two theories suggests that the more the companies disclose

their sustainability information on economic, environmental and social issues, the stronger may be their financial performance. Thus, together these two theories provide the conceptual underpinning for the present study.

DEFINING MATERIALITY IN THE CONTEXT OF NON-FINANCIAL DISCLOSURE AND USE OF GLOBAL REPORTING INITIATIVE (GRI) GUIDELINES

The concept of materiality is primarily associated with financial reporting context and more specifically with the auditing and accounting processes of financial reporting. In terms of non-financial sustainability disclosure three definitions for defining materiality has been developed by the Sustainability Accounting Standard Board (SASB), Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC). The definitions are as follows:

SASB definition of materiality: SASB uses the U.S. Supreme Court's definition of materiality, which states, "Information is material if there is 'a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available'" (SASB, 2016, p.7).

GRI G4 Guidelines Implementation Manual definition of materiality: It defines materiality as, "Material aspects are those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders. To determine if an aspect is material, qualitative analysis, quantitative assessment and discussion are needed" (GRI, 2013b, p.244).

IIRC definition of materiality: It defines materiality as "A matter is material if it is of such relevance and importance that it could substantially influence the assessments of providers of financial capital with regard to the organization's ability to create value over the short, medium and long-term (IIRC, 2013, p. 2, available at <http://www.theiirc.org/wp-content/uploads/2013/03/IR-Background-Paper-Materiality.pdf>).

By analyzing the definitions provided by SASB, GRI and IIRC on disclosing material non-financial sustainability information, it is clear that a company should report the relevant information to allow stakeholders to evaluate the organization's capacity to create value in the short, medium to long term.

Table 1 compares the three frameworks of material non-financial information by the type of guidance, scale, scope, target disclosures, target reporters, target audience, type of organization providing the guidance.

Table 1: Comparison of Guidance on Materiality from SASB, GRI and IIRC

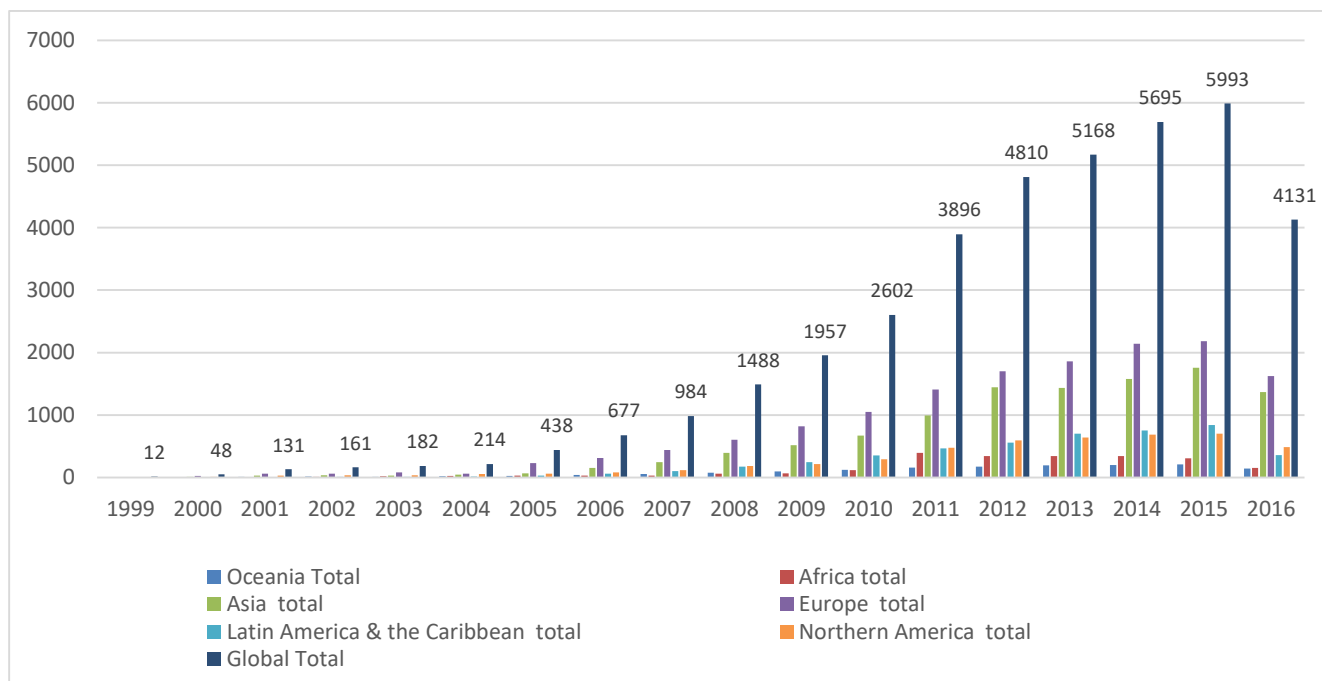
	SASB	GRI	IIRC
Type of guidance	Standards	Standards	Framework
Scale	U.S.	International	International
Scope	Industry specific	General	General
Target disclosure	Mandatory filing	Voluntary reporting	Voluntary reporting
Target reporters	Public companies traded on U.S. exchanges	Public and private companies	Public companies traded on international exchanges
Target audience	Investors	All stakeholders	Investors
Type of organization providing the guidance	Independent 501(c)3 non-profit	NGO	NGO

Source: Available at, <https://www.sasb.org/approach/key-relationships/>

This study considers the GRI definition of materiality and guidelines for non-financial material disclosure because it is more comprehensive and widely used by the companies all over the world (KPMG, 2015; Tiong and Anantharaman, 2011; Betianu, 2010; Borglund et al., 2010; Brown et al., 2009; KPMG Global Sustainability Services, 2008; Adams & Frost, 2007; Frost et al., 2005). While, Ball et al., (2006, p.268) note that, “GRI claims to provide the basis of worldwide standardized, comparable, reporting on the sustainability of (particularly business) organizations.” This statement is substantiated by Figure 1, which shows the extent to which companies globally are reporting non-financial sustainability information using the GRI framework based on different geographical regions.

Figure 1 shows an increasing trend in global sustainability reporting. Between 1999 and 2016 there has been an increase from 12 to 4131 the number of organizations reporting sustainability information according to the GRI database. European and Asian organizations are in leading positions for sustainability reporting.

Figure 1: Region wise global sustainability reporting status from 1999 to 2016



Source: Compiled from complete version of GRI Reports List (2017), Global Reporting Initiative https://www.globalreporting.org/services/Analysis/Reports_List/Pages/default.aspx

GRI introduced the first-generation sustainability reporting guidelines in 2000, the second generation (GRI G2) in 2002, the third generation (GRI G3) in 2006, the extended third generation (GRI G 3.1) in 2011 and fourth generation (GRI G4) in May 2013, (Global Reporting Initiative, n.d.). According to these guidelines, sustainability reporting “is a process that assists

organizations in setting goals, measuring performance and managing change towards a sustainable global economy - one that combines long-term profitability with social responsibility and environmental care” (GRI, 2013a, p. 85). Table 2 presents the summary of GRI G4 sustainability reporting guidelines.

Table 2: The GRI G4 guideline summary

Disclosure Category	Items
General disclosures	<ol style="list-style-type: none"> 1. Strategy and Analysis (G4-1 to G4-2) 2. Organizational Profile (G4-3 to G4-16) 3. Identified Material Aspects and Boundaries (G4-17 to G4 23) 4. Stakeholder Engagement (G4-24 to G4-27) 5. Report Profile (G4-28 to G4-33) 6. Governance (G4-34 to G4-55) 7. Ethics and Integrity (G4-56 to G4-58)
Specific standard disclosures: Disclosures on management approach (DMA)	<ol style="list-style-type: none"> 1. Economic (DMA EC), 4 disclosures 2. Environmental (DMA EN) 12 disclosures 3. Social: Labour practices and decent work (DMA LA) 8 disclosures 4. Social: Human Rights (DMA HR) 10 disclosures 5. Social: Society (DMA SO) 7 disclosures 6. Social: Product responsibility (DMA PR) 5 disclosures
Specific standard disclosures: Performance indicators (Total 91 indicators on economic, environmental and social aspects)	<ol style="list-style-type: none"> 1. Economic (G4-EC 1 to EC 9), 9 disclosures 2. Environmental (G4-EN 1 to EN 34), 34 disclosures 3. Social – Labor Practices and Decent Work (G4-LA 1 to LA 16), 16 disclosures 4. Social – Human Rights (G4-HR 1 to HR 12), 12 disclosures 5. Social – Society (G4-SO 1 to SO 11), 11 disclosures 6. Social – Product Responsibility (G4-PR 1 to PR 9), 9 disclosures

Source: Global Reporting Initiative. (2013b, pp.19-22).

The first section, general disclosure, covers a company's information on seven different issues mentioned in table 1. The second section discloses specific standard disclosure on management approach in six different issues (economic; environmental; and social: labour practices and decent work, human rights, society, product responsibility) of sustainability. The final section of GRI G4 guideline consists specific standard disclosure and performance indicators related with economic, environmental; and social (labour practices and decent work, human rights, society, product responsibility) aspects of sustainability reporting. There are 91 specific standard disclosure and performance indicators in GRI G4 guidelines covering economic, environmental and social indicators.

In GRI guidelines, materiality determination in sustainability reporting considers economic, environmental, and social impacts. The GRI G4 guidelines underscore the meaning of materiality in sustainability reporting and it the core of these guidelines. These guidelines are not merely a data gathering exercise; rather these guidelines focus only on the most important aspects (material aspects) of sustainability reporting. In regard to the coverage of the report, GRI in their G4 implementation manual postulates, "The report should include coverage of material Aspects and their Boundaries, sufficient to reflect significant economic, environmental and social impacts, and to enable stakeholders to assess the organization's performance in the reporting period" (Global Reporting Initiative, 2013b, p. 12). GRI has articulated the materiality aspects and boundaries so

report an organization's sustainability reporting issues on economic, environmental and social aspects. GRI considers its disclosures standards and guidelines on economic, environmental and social aspects as material (Global Reporting Initiative, 2013b).

To identify material aspects, GRI provides guidance on conducting a materiality assessment by following a four-step process, which includes: (1) identification of the aspects their boundaries, relevant for reporting; (2) prioritisation of the aspects from Step 1 to identify the materiality of those aspects; (3) validation of the identified aspects for finalising the report content; and (4) review of the published sustainability report (GRI 2013b, pp. 32–39). All these steps in the materiality process refer to the stakeholder inclusiveness principle, which is a central element in the G4 Guidelines and emphasize the importance of engaging with stakeholders in identifying the material aspects while defining the report content (GRI 2013a).

IMPLICATIONS IN THE BUSINESS ENTERPRISES

Non-financial disclosure of material information related to various aspects of sustainability by Bangladeshi business enterprises is likely to be important for their stakeholders. As part of the effort to conserve the environment, bio-diversity and related issues, a number of laws and regulations are in place in Bangladesh. However, there are no standard guidelines set by any authority in Bangladesh for non-financial disclosure of material sustainability information, except for the banks

and non-bank financial institutions. Bangladesh Bank, the central bank of Bangladesh, has developed a number of policy guidelines for disclosing the sustainability information and enforce it through different circulars to make it mandatory for the banks and non-bank financial institutions in Bangladesh following internationally accepted disclosure format like GRI (Hossain, 2017). Therefore, the majority of the companies' disclosure requirement in this regard is not mandatory.

Few banks and non-bank financial institutions are following GRI guidelines in Bangladesh as it is evidenced in some studies (Banerjee et al., 2017; Mahmud et al., 2017; Hossain et al., 2016; Islam, 2016; Khan, 2015; Khan et al., 2011). However, in Bangladeshi companies, the use of GRI guidelines which focuses on the disclosure of material nonfinancial sustainability information is almost absent. Belal (2000) shows that Bangladeshi companies (based on 30 annual reports of the companies) disclosed very limited information on environmental issues. It is important to note that, this study only focuses on environmental disclosures and ignored economic, and social disclosures. Combining economic, environmental, and social disclosure of a company may give a holistic view about a company's disclosure of nonfinancial material sustainability information.

There are guidelines for the public limited companies on how to disclose their information in financial statements, but nothing is said there about the companies' non-financial disclosure of material sustainability information. Bangladesh adopted International Accounting Standards (IASs) as Bangladesh Accounting Standards (BASs, <http://www.icab.org.bd/icabweb/webGeneralContent/view/121092>) on 1 January 2013, and for that Bangladeshi public limited companies must comply the International Accounting Standard 1 (<http://www.icab.org.bd/icabweb/webGeneralContent/view/391829>) for the presentation of financial statement. Therefore, all the listed companies in the stock exchange

must follow the guidelines mentioned in IAS 1. There is a provision of materiality regarding omissions and misstatements of financial information. Nonetheless, nothing is mentioned there regarding the non-financial disclosure of material sustainability information.

The position of Bangladesh is 4th (10 organizations) among the eight-member South Asian Association for Regional Cooperation (SAARC) countries (Table 3) in reporting sustainability information. India remains highest (166 organizations), followed by Pakistan (21 organizations) and Sri Lanka (18 organizations). It is evident from table 3 that, the number of sustainability reporting in Bangladesh is very poor compared to India, Pakistan and Sri Lanka. There is ample scope for the Bangladeshi business enterprises to enhance their reporting on non-financial sustainability information.

Table 3: Sustainability reporting organizations in SAARC Countries (From 1999 to 2016)

Country/Region	No. of Reported Organization	No. of Report
Afghanistan	0	0
Bangladesh	10	25
Bhutan	0	0
India	166	525
Maldives	0	0
Nepal	0	0
Pakistan	21	66
Sri Lanka	18	74
SAARC	215	690
World	10031	37968

Source: Compiled from <http://database.globalreporting.org/search/>

Although, the number of organizations reporting sustainability information is very low in Bangladesh, it is interesting that the companies who are reporting the sustainability issues, are following GRI guidelines while reporting their sustainability information, as evident in table 4.

Table 4: Sustainability Reporting Organizations in Bangladesh based on GRI guidelines (from 1999 to 2016)

Name	Size	Sector	Reports
Bank Asia	MNE	Financial Services	2016 - GRI G4, 2015 - GRI G4, 2014 - GRI G3.1, 2013 - GRI G3.1
Bangladesh Electrical Industries Limited (BEIL)	Large	Financial Services	2013 - GRI G3.1, 2012 - GRI G3.1
British American Tobacco Bangladesh	Large	Tobacco	2006 - GRI G2, 2003 - GRI G2
DBL Group	Large	Textiles and Apparel	2015 - GRI G4, 2014 - GRI G4
Industrial Development Leasing Company (IDLC)	Large	Financial Services	2016 - GRI G4, 2015 - GRI G4, 2014 - GRI G3.1, 2013 - GRI G3.1, 2012 - GRI G3.1
Mutual Trust Bank Ltd.	Large	Financial Services	2016 - GRI Referenced, 2015 - GRI G4
Prime Bank Limited	Large	Financial Services	2016 - GRI G4, 2015 - GRI G4, 2014 - GRI G3.1
Robi Axiata Limited	MNE	Telecommunications	2015 - GRI G4
Square Fashions	Large	Textiles and Apparel	2011 - GRI G3
VIYELLATEX Group	Large	Textiles and Apparel	2013 - GRI G3.1, 2011 - GRI G3, 2010 - Non GRI

Source: Compiled from <http://database.globalreporting.org/search/>

In Bangladesh, only ten companies are disclosing their sustainability information following GRI guidelines. Based on the sector, disclosure of non-financial sustainability is the highest in the financial services sector (5 companies), followed by textiles and apparel sector (3 companies), tobacco sector (1 company), and telecommunications sector (1 company). The number of business enterprises who are reporting non-financial sustainability information based on GRI guidelines is considerably low in Bangladesh. Five companies started to disclose non-financial sustainability information based on non-GRI/ citing-GRI reports in 2017 in Bangladesh, of them 4 (Brac Bank Limited, Eastern Bank Limited, Janata Bank Limited, Southeast Bank Limited) are from the banking sector and one (Olympic) from the manufacturing sector (Hossain, 2017). GRI guidelines are being used all over the world as a benchmark guideline for non-financial disclosure of sustainability information.

The Bangladeshi companies can enjoy many benefits by disclosing non-financial material sustainability information to their stakeholders, such as: an increase in investors' confidence, improved efficiency in investor communication, enhanced coordination inside and outside the organization, as well as strengthened market reputation and leadership (Ernst and Young, 2014). In addition, a win-win situation between the company and its stakeholders may prevail if a company discloses material sustainability information (Eccles and Krzus, 2014). Increased disclosure of sustainability information by the companies through non-financial reporting helps to renew the trust of their stakeholders (including investors/shareholders, regulators, and consumers) in them as well as allowing the stakeholders to take informed decisions (Lydenberg, 2012). If the number of non-financial material sustainability reporting organization in Bangladesh increases gradually, the companies may reap the mentioned benefits. By using the widely used GRI G4 guidelines as a benchmark, the Bangladeshi companies may enhance their acceptability among their stakeholders.

The recent global business environment is experiencing close examination and thoughtful pressure from different stakeholders on issues related to a company's sustainability performance (Rezaee, 2015). The economic implications of environmental and social issues are increasingly being recognized by global economic bodies (World Economic Forum (WEF) 2014; Organization for Economic Cooperation and Development (OECD) 2015)). At the 2017 World Economic Forum (held in Davos-Klosters, Switzerland from January 17-20, 2017), global business leaders argued for a socially focused business model which embraces the United Nation's sustainable development goals (SDGs). The *Better Business, Better World* report prepared for the World Economic Forum states, "We anticipate much greater pressure on business to prove itself a responsible social actor, creating good, properly paid jobs in its supply chains as well as in its factories and offices. Business will need to

demonstrate that it pays taxes where revenue is earned; abides by environmental and labour standards; respects the national politics and customs where it operates; integrates social and environmental factors in its investment decisions; and, above all, engages as a partner with others to build an economy that is more just" (Business & Sustainable Development Commission 2017, p. 7-8). This evidently suggests that global economic and business leaders are underscoring a business case for supporting the issue of sustainability. Hence, the non-financial disclosure of material sustainability information by the Bangladeshi companies may be a competitive factor in the upcoming years.

The conceptual discussion on disclosure of material non-financial sustainability information may provide insights for policymakers and corporate leaders in Bangladesh for decisions regarding expansion of reporting requirements. The companies may increase their nonfinancial material sustainability information by following a more holistic disclosure approach on economic, environmental and social sustainability information. Holistic disclosure of sustainability information is likely to be important for company stakeholders, which is congruent with the stakeholder theory and legitimacy theory.

Recently, in March 2018, the UN Committee for Development Policy (CPD) after completion of its review of the LDC category, announced that Bangladesh had met the graduation criteria for the first time. (For details, please visit <https://www.un.org/development/desa/dpad/least-developed-country-category-bangladesh.html>). This begins the graduation process for Bangladesh from earlier LDC status to developing country status, which could receive official Developing Country status by 2024. As a developing country, Bangladesh may face a challenge to attract foreign investment, and without having any preparation, Bangladeshi companies may lag behind other countries if they do not follow the global standards and best practices. Therefore, the non-financial disclosure of material sustainability information by following GRI guidelines may increase Bangladeshi companies' acceptability among the global investors.

CONCLUSION

The conceptual discussion on the non-financial disclosure of material sustainability information based on GRI G4 guidelines underscores the relevance of sustainability information disclosure for company value and growth. Finally, the evidence from this paper is likely to provide valuable information for corporate leaders and other policymakers in Bangladesh to adopt a guideline which may provide input for decisions regarding persistent expansion of non-financial sustainability reporting requirements. The study may create the foundation for subsequent research that would expand the analysis to Bangladeshi business enterprises in different sectors and produce evidence that would be generalizable across sectors.

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