

The current trends of Corporate Social and Environmental Reporting (CSER) in Bangladesh

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Abstract

Purpose - The purpose of this paper is to investigate the current trends of corporate social and environmental reporting of the top 20 companies on the Dhaka Stock Exchange (DSE), Bangladesh.

Design/methodology and approach- A qualitative research approach has chosen in this study and the authors utilized the content analysis of annual reports (2010-2011) and other publicly available documentary evidence according to six major criteria with 66 indicators. The top companies have been selected based on market capitalisation.

Findings- The finding of this research shows that organizations in Bangladesh disclose more on community and development which is 69% followed by governance code and policies which is 67%. The study also finds that organizations are paying limited attention to workplace/HR disclosure and environment that is 38% and 28% respectively. The banking and financial companies disclose more on social and environmental issues with compare to other sector organizations because of institutional pressure from central bank.

Research implications- The aim and value added contribution of this paper is the potential to raise awareness among company boards and senior managers concerning reporting and communicating of social, environmental and governance issues.

Original Value- The paper provides useful information about the social and environmental disclosures by top listed companies in Dhaka Stock Exchange (DSE), Bangladesh. This paper uses most recent data for content analysis to examine the social and environmental disclosures in a developing country where corporate governance and voluntary disclosure still at initial stage.

Keywords- Bangladesh, Corporate social and environmental reporting, corporate social and environmental responsibility, Content Analysis, Developing country

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1. Introduction

Corporate social and environmental reporting (CSER) has increasingly gained research attention among accounting and management researchers. The issue of global climate change has raised the community concerns about environment related issues and accelerate the societal expectations to social and environmental matters, and creates the awareness among stakeholders. CSER is a sub set of Social and Environmental Accounting (SEA). CSER deals with the organization's voluntary activities such as public image with regard to environmental, community, employee, and consumer issues (Gray et al. 2001). Scholars discovers the goal of CSER is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the society (See for example Deegan and Blomquist 2006; Gray et al. 2001; Gray, Kouhy, and Lavers 1995; Islam and Deegan 2008). Over the past decade, a significant number of companies witnessed a substantial increase in reporting on social and environmental issues around the world (Gray 2006). As a social product, organizations not only have an economic responsibility to be profitable, but also have ethical responsibilities that include a range of social and environmental norms or standards (Faisal 2010). In recent times, as social, environmental and economic problems attract more global attention and demand immediate solutions, CSER has become an increasingly important business strategy to meet stakeholders' demand for transparency and accountability (see for example Deegan 2002; Deegan 2007; Gray et al. 1997; Mathews 1993, 1995). CSER more recently termed as Triple Bottom line or Sustainability reporting has been considered a valuable strategy in discharging accountability through transparency (Tilt 2007; Accountability 2005). Stakeholders trust and confidence in the world of business has suffered severe blows in the wake of corporate malpractice. Therefore, improved transparency and accountability is instrumental to restore this trust through social and environmental reporting (Sustainability 2010).

CSER is one of the major aspects of sustainable development in business (Rowe et al. 2009). The importance of sustainability has seen a proliferation of CSER initiatives such as the United Nations Global Compact and Principles for Responsible Investment, the International Finance Corporation's (IFC) Performance Standards, the Global Reporting Initiative (GRI) and the upcoming ISO26000 (CSR Asia 2008). As a responsible management strategy to communicate with stakeholders, the reporting of social and environmental responsibility is one channel by which an organisation discloses how it is addressing the social, environmental and economic issues (SustainAbility/UNEP 2002; Group 100 and KPMG 2008). Many companies now practicing CSER as a result of the pressure from various stakeholder groups (Joshi and Gao 2009) and subsequently social and environmental disclosure practices have been increased by the organizations.

The purpose of this paper is to ascertain the current state of CSER in Bangladesh. Research on CSER in emerging and less developed countries, including Bangladesh is scarce, as most of the studies in this arena have concentrated on western developed countries (Belal and Owen 2007; Islam and Deegan 2008). The socio- economic realities of emerging and developing countries are different from developed countries because of different corporate motivations for undertaking CSER. A related study to the current research, by Hossain and Rowe (2011), explored the enablers of CSER by the same group of Bangladeshi listed companies via semi-structured interviews. The research focused into the underpinning motivations of senior managers to engage CSER in their organizations. The findings of the research reveal that managerial motivations towards CSER mainly come from the top management, social obligation, pressure from international buyers, branding corporate images. The findings also highlighted that poverty alleviation and economic sustainability are the important consideration for organizations to be engaged in CSER. This paper is the continuation of the current research. However, the data of this study mainly come from secondary sources such as annual reports, website, newsletters and other publicly available materials.

The aim and value added contribution of this paper is threefold. Firstly, it can potentially raise awareness among company boards and senior managers concerning reporting and communicating of social, environmental and governance issues. Secondly, it provides insight into findings based on information from the largest companies (by market capitalisation) listed on the Dhaka Stock Exchange (DSE), Bangladesh. Thirdly, based on the findings, provides recommendations for further research.

Drawing on the main aim of this study and based on this brief discussion, which will be expanded in the literature section, the following questions arose for the researchers:

- How do the largest companies (by market capitalisation) listed on the Dhaka Stock Exchange (DSE) report on social, environmental and governance issues?
- How do these companies communicate social, environmental and governance issues?

The organisation of the paper is arranged as follows. The next section provides a brief literature review of CSER in both developed and developing countries context including Bangladesh. These will be followed by research method used and findings. The paper concludes with recommendations and directions for future research.

2. Literature Review

Corporate social and environmental reporting (CSER) is a voluntary dedication of the organizations to contribute social and environmental goals (European Commission 2002). Under the umbrella of corporate social responsibility (CSR), environmental responsibility is implied. Scholars agreed that the term CSR is narrow as the term corporate social and environmental responsibility gained popularity over the last decade (see for example Lund Thomsen 2004; Rosenberg 2004; Schaefer 2004). The historical evidence suggests that manager's duty was limited to the employer loyalty and profit maximization. Later, the concept of stewardship has emerged and addressed the business responsibility towards society. Stewardship of the organizations not only limit responsibility to shareholders alone, but also concentrate on the responsibility to the broader stakeholder groups (Lantos 2001) such as employees, customers, distributors, suppliers, government, regulatory authority and more importantly the community where they operate. Carroll (1979) is one of the early scholar describes social aspects of CSR as referred directly to those responsibilities above and beyond economic and legal obligations (Meehan, Meehan, and Richards 2006). Therefore, CSER is considered synonymous with voluntary and corporate philanthropic acts by business organizations intended to alleviate social and environmental ills or benefit a socially disadvantaged group preferred by corporate managers (Meehan, Meehan, and Richards 2006).

The benefits of CSER reporting are enormous for organizations, community and environment. The organizations those are practice CSER, their financial and non financial performance are better than others, and it improves social respect towards the company (Kanji and Chopra 2010). CSER increase comfortable working environment and ensures occupational health and safety practices in the organizations and society. Sethi (1979) offered a conceptual framework for CSR dimensions where he explained organizations practice CSR as a social obligation, as a social responsibility and as social responsiveness. Previous studies suggest that organization is working in the society by meeting the legitimacy criteria through its ability to compete for gaining resources in the market (see for example Friedman 1962; Manne 1972). The criteria for legitimacy in this area are economic and legal obligation. According to Davis (1983) social obligation for organization assumed that social progress should weigh equally in the balance with economic progress. Moreover, organization needs social resources for their survival. Carroll (1979) identified four basic expectations which reflect a view of social responsibility; such as, discretionary, ethical, legal responsibilities and economic responsibilities. He observed how social issues have changed over the time. Product safety, occupational health and safety, business ethics, employee discrimination, environmental matter become organizational interest

as part of social obligation. More recently, the issues of global climate change and global warming come across as a biggest challenge to the corporate leaders. The OECD (2001, p. 9) states that:

The interaction between economic growth and the natural environment that supports it lies at the core sustainable development. Economic growth contributes to higher levels of human well being and provides the resources to address a range of environmental objectives. However, economic growth can also lead to excessive degradation of environmental and natural resources- when incentives to their use are inappropriate and external effects are not internalised.

Traditionally, in addition to profit making and abiding the legal requirement, CSER has regarded as philanthropic behaviour. However, Carroll (1979) argued that business has legal obligation to follow that are considered as social and environmental responsibility. Meehan, Meehan and Richards (2006) developed the 3C-SR model and emphasized the ethical and social commitments of organizations to be a “good corporate citizen”. The societal validity of such commitments will be greater where they align with emerging external frameworks for ethical and social and environmental values (Meehan, Meehan, and Richards 2006).

According to the report of KPMG (2011) the concept of sustainability goes far beyond corporate social and environmental responsibility and it has become the strategic lens through which organizations view their businesses. CSER offers an undeniable opportunity to gain competitive advantage drive innovation and generate real bottom-line results. They further argue that CSER have been increasing among the organizations to enjoy competitive advantage and as a part of their ecological responsiveness. Given the literature on CSER research, it would not be appropriate to generalize the results of developed countries to developing or emerging countries because of their economic, social, environmental and political differences. A number of scholars identified organizational motivation of CSER in Thailand (Kuasirikun 2005), china (Rowe 2006), Hong Kong (Jaggi and Zhao 1996), Ghana (Rahaman 2000; Rahaman, Lawrence, and Roper 2004), Fiji (Lodhia 2003) and some other developing countries. Rahman (2000) identified very little or no disclosure of social and environmental issues in Ghanaian companies. Later study of Rahman et al., (2004) explored driving forces of CSER in the Volta River Authority are external pressure from international lending institutions such as the World Bank. Kausirikun (2005) observed that government could be the most influential factor in making companies more socially and environmentally responsible. Understand the nature of relationships in respect of managerial interpretation and practical application Jamali (2008) interviewed top managers of eight Lebanese companies and found very little CSR activities. Family tradition of owner, traditional beliefs, Customs, religious training plays a vital role for CSR practices by managers (See for example Sobhani, Amran, and Zainuddin 2011; Gilles and Leinbach 1983; Rashid and Abdullah 1991).

The growing literature has attempted to explore the relationship between social and environmental reporting by large corporations and corporate characteristics;- notably size, profit, and industry (Gray, Owen, and Maunders 1987; Mathews 1997; Ullmann 1985a). Some researchers found a positive relationship between social disclosure and financial performance (Bowman 1978), whilst Hackston and Milne (1996), Ullmann (1985a) found an inverse relationship. There is empirical evidence that the large and environmentally sensitive companies mostly make environmental disclosures (Deegan and Gordon 1996; Guthrie and Parker 1990). More recently, Gibson and O’ Donovan (2007) examined the trends of social and environmental reporting taking a sample of 40 Australian companies covering 20 years published report and method used to measure the trend is content analysis. The results indicated that an increasing number of companies were disclosing social and environmental information but no attempt has been made to measure the quality of the disclosures. Adams, Hill and Roberts (1998) argues that there are significant differences in both the type and the amount of information disclosed by companies from different countries. The results also indicated that voluntary disclosure on social and environmental issues may be seen as a way of

demonstrating social acceptability and it may not only be undertaken to improve the image or reputation of the company but it may also be seen as being useful as far as the government is concerned. Guthrie and Parker (1990) compared (USA, UK and Australian) corporate social responsibility strategies from international perspectives under the headings of environmental, energy, human resources, products and community involvement. The research observed that the majority of the negative news were found in the audited sections whereas the positive news was mainly reported in the voluntary section of annual report.

There are number of theories have used by the researchers to explain the social and environmental reporting. The mostly used theories in social and environmental reporting are legitimacy theory, stakeholder theory and institutional theory. This study also focuses on legitimacy theory, stakeholder theory and institutional theory to explain the extent and volume of CSER in Bangladeshi listed companies. Legitimacy theory suggests that organizations need to ensure community expectations if they want to be successful in the society (Deegan 2002). According to Dowling and Pfeffer (1975), organizations is considered legitimate if the society or community perceives that they are operating within the limits of a value systems acceptable to community. Therefore, for the survival and growth of the organizations they endeavours to meet the expectations from society through disclosing social and environmental information's to the wider community. Some studies used stakeholder theory to explain CSER (See for example Deegan and Blomquist 2006; Gray, Kouhy, and Lavers 1995; Gray, Owen, and Adams 1996; Islam and Deegan 2008) from the believe that stakeholders are the central for all activities by the organizations. CSER is seen as a response to competing pressures from various stakeholders such as governments, employees, environmental groups, customers, creditors and civil society or community activists (Branco and Rodrigues 2007). Both stakeholder theory and legitimacy theory derived from the broader political economic theory. Stakeholder is defined as "groups or individuals who benefit from or harmed by, and whose rights are violated or respected by, corporate actions" (Freeman 1984 P. 174). Stakeholder theory is divided by two categories namely normative branch of stakeholder theory (Gray, Owen, and Adams 1996) and managerial branch of stakeholder theory (Deegan 2002). Normative branch of stakeholder theory suggests that all stakeholders have right to be treated fairly by a company. Gray, Owen and Adams (1996) accountability framework reflected the normative stakeholder theory from the argument that the company is accountable to all stakeholder groups to reports on social and environmental information. Managerial branch of stakeholder theory explain that CSER as a way of managing company's relationship with various stakeholder groups (Deegan 2002; Roberts 1992; Ullmann 1985a). Robert (1992) found that stakeholder power, strategic posture and economic performance are related significantly to the level of CSER. Therefore, managers are using CSER as a proactive approach for managing stakeholders and their organizational environment.

As an important communication and management tool both legitimacy theory and stakeholder theory used by the organizations to ensure the two way open dialogue between organizations and their stakeholders (Qian, Burritt, and Monroe 2011). In general, legitimacy theory focuses the expectations of community whereas stakeholder theory provides a more refined solution by referring to different stakeholder groups within society (Deegan 2002). From an analytical perspective, a stakeholder approach can assist managers by promoting an analysis of how the company fits into its larger environment or social context, how its standard operating procedures affect stakeholders in the company (employees, managers, stockholders) and immediately beyond the company (customers, suppliers, financiers). Institutional theory is another approach to analyse social and environmental disclosure from institutional perspectives. Institutional theory suggests that organizations action is controlled by a variety of external pressures extracted from powerful groups in order to maintain their legitimacy (Pfeffer and Salancik 1978; Powell 1988b). According to Meyer and Rowan (1977), institutional theory explores different means/mechanism through which information about legitimate and socially accepted organizational behaviour can be transmitted and such behaviour institutionalised in

organizations (Qian, Burritt, and Monroe 2011). Meyer and Rowan's (1977) work on the influence of sociocultural expectations is consistent with legitimacy theory which suggests an implicit 'social contract' between an organization and the broader community in which it operates (Islam and Deegan 2008). There are few studies to date have explored social and environmental reporting from a developing country context such as Bangladesh by using the above-mentioned theory. It was Islam and Deegan (2008), who first adopted social systems base theories such as legitimacy theory, stakeholder theory and institutional theory to explain the CSER in Bangladesh but their study was limited to the textile industry. Thus, this research has used legitimacy theory, stakeholder theory and institutional theory to explain CSER applicable for listed companies in Bangladesh. The following section will briefly discuss about the Bangladesh Context.

3. Bangladesh Context

In the context of Bangladesh, the financial reporting environment in Bangladesh is not in full conformity with international accounting standards. In fact financial information and disclosure is made to satisfy the tax authorities rather meet the needs of investors and vested interested groups (Farooque et al. 2007). The companies Act 1994 regulate the financial reporting in Bangladesh. The Company act (1994) requires that all public limited companies must have their annual reports audited by professional chartered accountants (members of the Institute of Chartered Accountants of Bangladesh). Like many other developed and developing countries, reporting on social, environmental and ethical information are voluntary in Bangladesh. Recently Bangladesh Bank (the central bank of Bangladesh) issued a circular about CSER practices by all scheduled bank though it is voluntary. Within other sectors, there is no guideline except some laws relating to the environment such as textile and chemical plants need to ensure Effluent Treatment Plant (ETP) for their operations. There is no regulatory guideline for CSER from government and other regulatory authority like the Institute of Chartered Accountants of Bangladesh (ICAB). However, there have been a number of academic research conducted on CSER in Bangladesh by using content analysis of annual reports (See for example Azim, Ahmed, and Islam 2009; Belal 1997; Belal 2000, 2001; Imam 1999; Imam 2000; Khan, Halabi, and Samy 2009; Sobhani, Amran, and Zainuddin 2009). Most of the companies in Bangladesh are reluctant to provide any social and environmental information in their reports, though there has been considerable improvement made since the late 1990s (Imam 2000). Using the annual reports of 50 companies in 1995, Belal (1997) examine the volume of disclosure of environmental issues by the companies. The survey shows that only 6 per cent of companies practice and disclosed environmental issues in their annual reports under the heading of chairman statements or directors' report. Imam (2000) examine the volume of social and environmental disclosure of 40 listed company from the Dhaka Stock Exchange. The findings reveal that 25 per cent of companies made disclosure on community activities and 22.5 per cent on environmental disclosure whereas only 10 per cent companies disclose consumer related information. Belal (2001) examine the social reporting practices by Bangladeshi companies using samples of 30 annual reports. The research results represent tremendous improvement of CSER disclosure practices. For example, environmental disclosure has increased 90 percent by sample companies. The study also found that employee disclosure 97 percent and ethical disclosure 77 percent of sample company. Recently sobhani et al., (2009) carried out a content analysis of companies listed on both Dhaka Stock Exchange and Chittagong Stock Exchange. The findings reveal that 100% companies disclose at least one item related to HR followed by Community involvement by (47%), consumer (23%), environment (19%), and others (18%). They also report that Banking companies disclose more item of CSER compared to other listed companies, though overall nature and disclosure pattern is very poor. The user groups of banking companies are interested to see more social and environmental related disclosure (Khan, Halabi, and Samy 2009). More recently, a further contribution has been offered by Azim, Ahmed and Islam (2009) who utilizes annual reports content analysis of 38 listed company from Dhaka Stock Exchange (DSE) to investigate the extent of CSR practice. Their results indicated 76.32 per cent of disclosure was generalized qualitative statements without supporting evidence.

Director's reports are highly used to disclosures social and environmental issue followed by any other specific section to annual report followed by chairman's statement. The previous research found that there is a growing pressure from external parties such as international buyers, who are outsourcing textile and clothing products from Bangladesh (Belal and Owen 2007; Islam and Deegan 2008). However, the most recent study by Sobhani, Amran, and Zainuddin (2011) explored the managerial views of Islamic bank. They found, though regulatory authorities such as central bank rules and regulations, environmental group's movement exists, but religion as an institutional factor became the motivating criteria for CSER practice at Islamic bank in Bangladesh.

4. Research Method

This study uses content analysis method to understand the extent and volume of CSER in Bangladesh. Prior research used content analysis of documents such as annual reports, websites, newsletters and other forms of published information to examine the social and environmental disclosures (See for example Deegan and Rankin 1996; Gray, Kouhy, and Lavers 1995; Guthrie and Parker 1990; Singh and Ahuja 1983). Content analysis is a widely used in qualitative research because of its flexibility to analyse the text data (Hsieh and Shannon 2005). Social and environmental accounting researchers use content analysis as a means of coding the annual reports (Milne and Adler 1999). According to Patton (1990 P.381), "content analysis is the process of identifying, coding, and categorizing the primary patterns in the data." In addition to qualitative research, quantitative researchers also use content analysis (See for example Guthrie and Parker 1989a; Sarantakos 1993). Quantitative researchers focus on establishing a set of categories and then count the number of instances that words and utterances fall into each category (Rowe and Guthrie 2010). By contrast, the use of content analysis in this qualitative research of discovery was concerned with the processes through which texts depicted 'reality, than with whether such texts contained true or false statements (Silverman 2000). The content analysis instrument guided by GRI (G3) and CSR Asia (2008) was utilized in this study with some adaptations. The broad six content classifications are: Governance, codes & policies; CSR strategy and communication; Marketplace and supply chain/products/services responsibility; Workplace/ Human resources; Environment; and Community and development. Within each of these six broad categories, sub-classifications of disclosure were identified. Additional sub-classifications- these being CSR foundation were added to the CSR strategy and communication. The issue of child labour, facility for day care for working mothers added to the workplace and human resource category. The issue of United Nation (UN) millennium development policy and natural disaster or emergency crisis participations added to the community and development category. A list of items included in the category for organizations social and environmental disclosures has presented in details in Appendix B. Only publicly available information of top 20 companies (See Appendix A for company details) were examined in this study, such as company annual reports issued in 2010-2011, stand-alone corporate responsibility (If they produce) or sustainability reports and various related disclosures on their web-sites. In order to create the ranking for the depth of disclosures on sustainability issues, 66 indicators were used to score the company indicator Sections. Table 1 illustrate the Indicator Section headings and the number of indicators under each major criterion. Scoring of the level of disclosures is based on a point system for each of the indicators:

- 0 point for non-disclosure (or extremely difficult to find data)
- 1 point for partial disclosure
- 2 points for comprehensive disclosure

Table 1: Indicator Section headings and number of indicators under each major criterion with maximum scores.

Indicator Sections	Number of Indicators	Maximum Section Score
Governance, Codes, and Policies	12	24
CSR Strategy and Communication	11	22
Marketplace and Supply Chain	8	10
Workplace/People	14	20
Environment	12	16
Community and Development	9	10
Total Indicators	66	132

A distinctive annual report of company listed in DSE includes a Chairman’s statement, corporate governance report, financial statements, auditor’s reports and some cases CSR initiatives. The listed companies in Bangladesh follow the guidelines of SEC and Companies Act 1994 for preparation of annual reports.

5. Results and Findings

For the purpose of this research, company’s scores adjust to a percentage score (rather than using 132 points total). The multinational pharmaceuticals companies and financial sectors among the top 20 companies have taken the lead against all the indicator sections. The Rackit Benkizer Bangladesh Ltd is a pioneer scoring a dazzling 88% followed by IDLC finance Ltd with 81.33%. The third place scoring 62.66% by Glaxco Smith Kline Bangladesh Ltd. It is evident that multinational companies those are listed in stock exchange reporting more on social and environmental responsibility because of their global strategy. The second highest scoring company IDLC is the country’s leading non-banking financial institute who is the first company introduced separate sustainability reporting followed by GRI guidelines in 2011. Whilst the quality of CSER reporting does not necessarily translate to good ‘corporate Citizen’, it may be worth noting that two companies in the top have been achieved CSR award jointly organized by Institute of charter Accountants of Bangladesh (ICAB) and South Asian Federation of Accounts (SAFA). Textile and clothing companies’ disclosures are poor in accordance to GRI guideline although they are bound to maintain the international buyers’ social and environmental compliance standard. However, financial and banking sectors practices average standard of reporting as motivation extracted from the central bank to report on social and environmental responsibility. The maximum disclosures found in the ‘Community Investment and Development’ and ‘Corporate Governance Code and Policies’ scored 69% and 67% respectively. However, less disclosures observed on ‘Environmental’, ‘CSER Strategy and Communication’, ‘Marketplace & Supply Chain, Product/Service Responsibility’, ‘Workplace Environment/Condition, Child Labour Policy and Human Resource. The poorest disclosure found in the ‘Workplace Environment/Condition, Child Labour Policy and Human Resource’ section scored frustratingly on average 28%. Table 2 stated the average percentage of scores for the six indicator sections of social and environmental responsibility disclosure. This research also found that UN global compact signatory companies are reporting more on social and environmental responsibility.

Table 2 – Average Percentage Scores for the 6 Indicator Sections

Indicator Sections	Average Scores
	%
Governance, Codes, and Policies	67
Environment	38
CSR Strategy and Communication	49
Workplace/People	28
Marketplace and Supply Chain	41
Community and Development	69

Findings by Major Indicator Sections

5.1 Corporate governance code and policies

There is an impressive disclosure practice observed for all selected companies on corporate governance code and policies in their annual reports as well as in the website. All listed companies produce corporate governance compliance reports in accordance to compliance guidelines by the SEC notification No.SEC/CMRRCD/2006/158/Admin/02-08 dated 20th February 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969. However, bigger companies provide more quality information compared to smaller companies. Figure 5.2 provides a sample of corporate governance compliance report. As one of the prominent issues of corporate accountability, corporate managers maximize the value for shareholders through performance with good corporate governance. Corporate governance ensures transparency and accountability of businesses, and provides proper and timely voluntary and financial disclosure so that stakeholders' value can be maximized. The board members including meeting attended, independent audit committee, director's duties and responsibility, risk management policy, director remuneration, responsibility segregated between board and management, different board committees are available on the corporate governance report. However, only 70 percent of sampled companies disclose about the anti-corruption policy. The listed companies disclose more governance disclosure, conceivably the reasons of SEC requirements and compliance introduced in 2006. The governance-related disclosure was very poor before 2006. The highest governance-related disclosure practice by the banking and pharmaceuticals sector is on an average 90%. Two of the company's statements on corporate governance in their annual reports are as follows.

Corporate Governance is the system of internal controls and procedures used to define and protect the rights and responsibilities of various stakeholders. The Bank has adequately complied with all the Corporate Governance Guidelines of Bangladesh Bank and SEC. It is ensured by the Board that all activities and transactions of the Bank are conducted in compliance with international best practices to protect the highest interest of all the stakeholders (Dutch Bangla Bank annual report 2011, p.1).

The aspects of governance are shared by the Board of Directors, Executive Management, operational participants and workers and others in fulfillment of the common goals that converge in increasing the benefits of all stakeholders. To this end, entire corporate governance efforts are blended with "good governance practices" as ethically and morally acceptable standards under a given socio-political environmental phenomenon of our society in which we work, live and exist (Square Pharmaceuticals annual report 2011, p.6).

In reviewing the individual companies' annual report, this study find that more than 25 % sampled companies scored more than 80% corporate governance related disclosure. There is a growing trends observe among all sampled companies to disclosure and provide more focus on governance matter. There is no individual organization which disclosure score less than 50%, which is a positive and optimistic sign for the governance practices in Bangladeshi corporate sectors. It is arguable that since the corporate governance rules implements in 2006 by SEC, the organizations seems to be positive improvement in their governance practice to ensure more transparency and accountability to meet the stakeholders needs and expectations. It is also need to mention that there is a positive relationship exists between company size and disclosure, which is consistent with the findings of Hackston and Milne (1996). As we previously mention that all twenty sample company have separate corporate governance report and disclosure under the annual report which is consistent with a recent study of Fortune Global 250 companies revealing "that more than half of them have separate corporate governance section in the annual report" (Kolk and Pinkse 2006 ,p.15).

5.2 CSER strategy communication and policy

The level of CSER strategy communication and policy related disclosure represents average score 49% for all sampled companies. Only two companies out of twenty have separate sustainability report. One of the companies states in their sustainability report that "our vision is to building a profitable and socially responsible financial institute, focused on market and business with growth potential. Thereby assisting BRAC and its stakeholder to build an enlightened, healthy democratic and poverty free Bangladesh (Brac Bank CSR report 2010, p 5)". Most of the organizations CSER or related disclosures observe under the annual report or in the website link. The disclosures level does not provide adequate quality information rather present some eye-catching relief activities and donation programs for CSER. All financial and banking companies have CSER section in their annual report. In some cases directors/chairman message section the companies speaks about their CSER objectives, strategy and the CSER implementation. There are only three company follow the reporting guideline (such as GRI guideline, UN global compact, ISO 14001) to produce their CSER report whereas rest of the companies do not follow any guideline. Most of the companies have board committee for CSER though they did not mention any contact details or specific person authorized in their annual report or website. One of the most interesting finding is, 100% companies have foundation, by which they operates their CSER activities. For example, most of the bank and big organization create foundation (such as BRAC bank foundation, Dutch Bangla Bank foundation) to get maximize tax reduction benefit for their social and environmental responsible investment. However, it is arguable that the organization in Bangladesh creates foundation for their own benefits rather to meet stakeholders' expectation in terms of social and environmental responsibility. Only five companies (two of them multinational companies) have specific social and environmental objectives and targets in their annual reports. Rest of the companies' do practice and report social and environmental responsibility on an ad-hoc basis. For example, companies those are a member of UN global compact or ISO 14001 certified they tend to ensure good practice and disclosure to retain their certificate. ACI Ltd is one of leaders of First Moving Consumer Goods (FMCG) who are a member of UN global compact states in their annual report that they are trying to follow the ten principle of UN global compact. One of the multinational companies speaks about the environmental target in the sustainability report.

Our most significant sustainability impact, as with most businesses, is the greenhouse gas emissions that contribute to climate change. Our flagship Carbon20 programme will cut the greenhouse gas (GHG) emissions that each product generates through its lifecycle by 20% by 2020, compared to the 2007 level (Reckit Benkizer sustainability report, 2010).

Most of the local companies do not have any predetermined social and environmental targets. They only provide a general statement in their disclosure. Stakeholder engagement and

dialogue represents very poor performance among majority of companies. In reality a very few organizations in Bangladesh consider the views of stakeholders. However, they acknowledge in reports that how stakeholders' communication benefits the organization to be socially and environmentally sustainable. For example:

We want to understand the concerns of those will interest in corporate responsibility issues will engage with a range of stakeholders and communicate openly about how we are addressing issues, in ways that aim to meet the needs of diff groups while allowing us to pursue legitimate business goals (Glaxco Smith and Kline sustainability report, 2010 p. 10).

Another company regularly communicate with stakeholders and their disclosure is matter of motivation for others. They states:

We believe that commitment from all stakeholder groups is necessary for any organization to establish itself as a responsible brand. That is why we prioritize stakeholder engagement issues while planning any sustainable initiatives. The stakeholder groups we engaged mainly employees, clients, community groups and media (sustainability report of IDLC 2011, p. 43)

The finding shows that about 80% sampled company do not have stakeholder engagement process and related disclosure. Turing to the implementation of CSER, training to the stakeholder groups is very limited. About 25% company provides stakeholder training including health and safety issues of the employees. Generally, the companies who ensure stakeholder training are the market leader in their respective sector. For example, Square pharmaceuticals, Beximco Textile, Dutch Bangla Bank regularly arrange a series of training programs to create awareness among stakeholders about sustainability. It is however, disappointing to find that Bangladeshi listed companies are lagging behind in their level of CSER training on the 'CSER strategy and Communication policy' section. This is perhaps CSER strategy and policy is still at infancy stage in Bangladesh. The level of CSER reporting culture is yet to emerging trends in Bangladesh like many other developing countries.

5.3 Marketplace, supply chain, product/service responsibility

The term 'market place, supply chain, product/service responsibility' is commonly used to embrace both suppliers related CSER policy and customer focus product/service initiatives including health and safety in market place. All the selected companies are taking note of supply chain risk- 41% of them presented data on the "Marketplace Supply Chain, product/service responsibility' indicator section. Product quality and service information scored the highest at 50%. Out of twenty companies only 7 companies have suppliers' related CSER standards but the overall quality of disclosure and initiative is very low. Only one company scored 100% in this section. Majority of the companies do not have any suppliers and supply chain related sustainable policy. However, the reasons for overall poor performance of disclosure and initiatives are, organizations in Bangladesh provide more focus on cost rather than suppliers sustainable practice. More specifically, they emphasize on their products/service quality information as a means of gaining marketing advantage. For example:

ACI follows International Standards on Quality Management System to ensure consistent quality of products and services to achieve customer satisfaction. ACI also meets all national regulatory requirements relating to its current businesses and ensures that current Good Manufacturing Practices (cGMP) as recommended by World Health Organization is followed for its pharmaceutical operations. The management of ACI commits itself to quality as the prime consideration in all its business decisions. All employees of ACI must follow documented procedures to ensure compliance with quality standards (ACI Annual report, 2010).

There are only 50% companies emphasizing on health and safety management systems. The multinational companies and local leading companies are more ahead of practice occupational

health and safety in their organization. Pharmaceuticals and textile companies' occupational health and safety are much stronger than other sector. This is perhaps attributable to the fact that these sectors operate within factory oriented manufacturing environment that attracts greater stakeholder pressure. While the top listed companies in Bangladesh are dominated by the banking and finance companies in terms of overall CSER, but this sector is not well represent occupational health and safety practice and report in their voluntary disclosure. In terms of highlighting main occupational health and safety risk and report accidents, only two companies make such disclosure. However, one company speaks about risk and accident but do not provide any quantitative figure. This indicates that organization do not want to disclose any accidents or risk matter in voluntary reporting. Although occupational health and safety is legitimate and essential criteria for any organization, but they merely do not care. Supply chain sustainability is an essential criterion for readymade garments and textile companies in Bangladesh those are exporting their products in the overseas market. This is why textile companies practice sustainable supply chain to some extent to comply buyers' compliance requirement though disclosure is limited.

5.4 Working environment/condition, Child labour and human resource policy

A number of companies scored 0% in workplace environment and HR policy disclosure however, the overall score in "Workplace/HR" section are 28%, which indicates very poor performance of disclosure. Most of the organizations fail to quantify staff training hours/budget or disclose diversity statistics with exception of six. At least two of the organizations disclose full statistics of staff training and four companies provide partial information. For example, one of the finance company report:

We provide continuous training to our employees regarding social and environmental issues, equal opportunity principle, racism, health and safety issue, employee volunteering etc (Prime Finance Annual report 2010).

The details statistics covers number of employees, training hours, budget, percentage of employee trained. One of the positive aspects of disclosure observes for the group wide employee benefits including salary and other benefits among all sampled companies. This is possibly for the reasons that organizations seek to attract resourceful employees and want to reduce employee turnover. For example:

Our policy for employees is competitive in the market. Our compensation & benefit program includes Leave, LFA, Hospitalization and Maternity expense reimbursement, staff loans (LAMS, LAPF). Moreover, we provide long-term benefits like car loan, House Building Loan (fully insurance covered), Superannuation Fund, Long service award, etc. Our 'People' based culture sets up apart from other employers. That is why we have been able to attract and retain the 'Best' resources in EBL. We recognize our 'People' as 'Human Capital' and we work hard to ensure that their good performance is rewarded. We place a high value on how we treat our own people as well as the people and communities we interact with. EBL HR will continue its effort to develop quality human resources by providing world class training opportunities and rewarding the performers (Eastern Bank Annual report 2011, p 174).

All the twenty companies provide at least one sentence in their annual report about their health policy. However, very few companies disclose details of health initiative in their report. A number of companies survey employee satisfaction and annual surveys though their score is only 20 %. The potential reason could be less annual satisfaction surveys among the companies that they are afraid of their employees in terms of benefits given to them (employees). Like many other developing countries, Bangladeshi companies also do not care about employee satisfaction. A limited number of organizations actually follow the working time/hours. Most of the cases employees have to work more than 10 hours a day without any overtime payments. At least 50% companies disclose the working environment/condition related information whereas only 30% companies have child labour policy. Child labour is an emerging and hot issue in

Bangladesh. The clothing and textile companies maintain child labour standards as per buyers' requirements but disclosure is limited whereas banking companies claim in the voluntary report that they are not financing any organizations those uses child worker. However, there is no statistics given about the breast-feeding /day care facility for working mothers. There is limited number of organization in Bangladesh those are providing day care centre facility for working mother. To some extent, leading textile companies disclose some information regarding this issue. In terms of human rights policy and initiative only 13%, company provides information in their annual report that they have policy. However, 5% company have full policy disclosure and others two have partial disclosure. The analysis of the human rights policy in the annual reports identifies that UN global compact member companies write a couple of sentence about human right policy. There is only 5% company, which have formal complaint/whistleblower scheme because of their global strategy of sustainability reporting. In contrast, there is no Bangladeshi originated listed company have formal complaint/whistleblower scheme policy and disclosure. The bargaining power of employees with the organizations is the basic rights as per the rules of freedom of association. A number of companies reports that they allow freedom of association. Textile and pharmaceuticals organization have trade union to a limited extent. In current Bangladeshi socio-, political environment freedom of association perhaps can create bigger organizational and social chaos. The practical evidence suggest that the barraging mechanism by trade union leader always end with social disorder, violence, damage government and public property. However, to ensure sustainable business practice it is important for company to allow trade union and they need to disclose the activities of trade union.

5.5 Environment

The overall score of the selected companies under the 'Environment' section is 38%, which is a poor indicator of environmental responsibility disclosure. Only three company score more than 70% in environmental disclosure. The highest score in environmental disclosure make by IDLC 88% followed by GlaxcoSmith and Kline, and The City bank are 81% and 75% respectively. Most of the companies score is less than 40%. Environmental issues dominated by climate change, which is the key driver of environmental responsibility. Bangladesh is one of the most vulnerable countries due to the effect of global climate change. Bangladesh is frequently witnesses by natural disasters such as tropical cyclones, storm surges, floods, droughts, and tornadoes. The sea level is rises continuously and corporate sectors are mainly responsible for polluting the air, water and environment. The Ministry of Environment and Forest, Bangladesh have separate department to deal with climate change and environmental matter including corporate sector activities that creates vulnerability for environment. Most of the companies have environmental policy (about 70%) in their annual report or website. Nevertheless, the quality of information is not fair enough for potential stakeholders to judge the organizations ecological stand. For example:

Although our activities have no direct impact on environment, we are committed to taking positive action to reduce our contribution to climate change and our other impacts on the environment (Prime Finance and Investment Ltd Annual report, 2010).

We strive as responsible citizen, for a social order devoid of malpractices, anti-environmental behaviours, unethical and immoral activities and corruptive dealings (Square Textile Annual report, 2010).

Whilst most of the companies have just have little statement about environmental policy in the website or annual report, eight companies have full report on environmental policy and initiatives including disclosure of carbon emission data. There is only 50% companies disclose about water, energy and waste reduction information in their report. However, a very few companies discuss about renewable energy related initiatives. Environmental sensitive companies provide more information in the report. The general discussion under environmental responsibility includes tree plantation, pollution control, environmental

awareness etc. The banking and financial companies claim their vision towards 'green banking' and it become a buzzword. For example:

Climate change has become a global concern as it has direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. The key areas of environmental degradation are: air and water pollution, encroachment of rivers, improper disposal of industrial, medical and house-hold waste, deforestation and loss of open space and biodiversity. People across the world now admit that Bangladesh is one of the major victims of climate change. Our organization believes that every small 'GREEN' step taken today would go a long way in building a greener future and that each one of us can work towards a better global environment (Eastern Bank Ltd. Annual report 2010).

Some banks have mentioned their commitment towards environmental sustainability in the annual reports. Their actions have not however gone beyond compliance with relevant government laws and regulations. As banking and financial companies do not create any direct environmental damage however, they are careful for lending the organizations that do not use Effluent Treatment Plant (ETP) for waste management. Recently, government has introduced mandatory (ETP) for manufacturing plants and allow monetary punishment for non-compliance of ETP use. A number of banking organization financing bio gas plant and solar energy project at a minimum interest rate because of their environmental sustainability. Nevertheless, there are no companies, which have wild life conservation policy related disclosure. The companies working in textile and clothing industry are more responsible for environmental damage but surprisingly their environmental initiatives and disclosures below than other sectors. Despite the lack of regulatory requirement most of the companies have tree plantation activities as part of the government motivation which was started in 1991. A number of organizations introduce online communication to avoid paper wastage. Six companies speaks in their annual report about energy saving bulb and less use of air-condition, which produce green house gas emission. The overall environmental disclosure by the selected companies indicates the promising sign towards environmental sustainability. Imam (1999) reports only 7 companies out of 34 provide one or two sentence about environmental responsibility in their annual report. The findings of this research show that there is an increasing trends of environmental reporting as compared Imam (1999) results. The quality of disclosure also improves a lot because of climate change issue become hot topic at national level. The government participation for motivating companies towards environment by some legislation also increases environmental responsibility though disclosure is not mandatory yet.

5.6 Community and Development

In terms of the 'Community and Development' indicator section, the selected companies makes highest score 69%. Organizations attitude seems to have shifted from the short-term philanthropic approach to value added contribution for social sustainable and long-term projects (70%). About 60% company have set criteria for community investment and development. They provides monetary donation for natural disaster and emergency social crisis. For example, almost every year Bangladesh suffers from floods, cyclone, tornados, fire etc. Stand-alone government supports cannot help to all community people. Therefore, organizations come forward to community with the government through donating money in the prime minister Relief fund. All companies reports about their monetary donation for community in the annual report and website. The extent of reporting for monetary donation well presented in their reports or website. Disaster relief and rehabilitation becomes the segment where the highest number of organizations participated to help ease the sufferings of the affected people. For example:

We always stand beside the distressed people at the time when natural calamities occur. we provides support to the affected people in cash and kind for rehabilitation after the natural calamities like cyclone, flood, tornado, land slide, river erosion, devastating fire burn etc. The donation in kind includes food, medicine, water purifying tablets, blankets, GCI sheets etc (Dutch Bangla Bank Annual report 2010).

The monitoring systems of community development also prioritise by all organizations. In the present context, most of the companies provide more concentration on education and health. In education sector, companies have long and short-term scholarship facility for the poor and meritorious students. It is also promising strategy that organizations concentrated on renewable scholarship for underprivileged but meritorious students for urging of their studies instead of providing them one time monetary reward. Five of the organizations have their own school and college, which have been formed as a social enterprise. For example:

The bank established the National Bank Foundation in 1989 to remain involved with social welfare activities. The foundation is running the NBL Public School & College at Moghbazar where present enrolment is 1140. Besides awarding scholarship to the meritorious children of the employees, the bank has also extended financial support for their education (National Bank Annual report, 2010).

In addition, companies regularly support sports, cultural programs and other national heritage building activities such as helping to build up liberation war memorial. Another priority area by the selected organizations is seen in the health sector. All selected companies helping health sector because of national need. Bangladesh is a diseases affected area. The health facility is not adequate and the cost of health treatment is beyond the control of general people because there are no social security systems available from the government. Three of the twenty companies arrange medical camp for cleft lip patient and provide medication for disabled people. The pharmaceuticals companies providing free medicine and sometimes arrange medical camp for the older people who have 'eye, problem. The health support by the companies is not anymore on ad-hoc basis, it becomes the part of regular practice by the all selected companies. The most surprising matter is that all the companies provide high emphasize on the disclosure of their education and health support in the annual report, website and even in the newspaper advertisement. This is perhaps because to gain customer favour and establish their brand image. The competition for disclosing the health and education responsibility observe more among the banking and financial companies. Whilst majority of banking company ahead of responsibility in health and education sector, pharmaceuticals and textile companies also contributes significantly for education and health sector and the extent of disclosure in their report also in good quality. For example:

The company donates a large amount of medicines to the underserved and the victims of natural disaster. In 2010, Beximco Pharmaceuticals made a generous donation of Tk. 10 million worth of drugs to the nationwide health camp for medical treatment of the underprivileged. Beximco Pharma regularly takes part in awareness campaigns in the form of rallies, poster presentations and seminars to observe Asthma Day, World Hypertension Day, Diabetes Day, AIDS day etc., in addition to organizing and sponsoring scientific seminars and conferences for various associations and societies in medical disciplines. Through the FRF foundation, the company has also been engaged in philanthropic activities for over a decade, providing medical consultation and diagnostic support at cost (Beximco Pharmaceuticals Annual report 2010).

At least 30% company have taken steps and introduce investment schemes to cater the needs of self-employment and poverty alleviation. However, banking organizations are leader to contribute such initiatives. For example, they provide finance to the poor farmers, landless peasants, women entrepreneur, rootless slum people, handicapped and tribal people. With a view to develop the socio-economic sustainability and reduces poverty level banks are providing more finance with a flexible condition to the poor people. Other than banking organizations, textile and pharmaceutical organizations have less focus on this issue. Simultaneously, banks also extended their support to NGOs those are working for agricultural development and poverty alleviation. The annual reports of financial and other companies observe a number of paragraphs on the poverty alleviation initiatives. Bangladesh along with the other five country received United Nations Millennium Development Goals (MDGs) award in 2011 for fulfil the commitment to work together to build a safer, more prosperous and equitable

world. The MDGs include goals and targets on poverty, hunger, maternal and child mortality, disease, inadequate shelter, gender inequality, environmental degradation and the Global Partnership for Development. Companies in Bangladesh play a big role to achieve this prestigious award. The high performance of disclosure in this section related with their community development work.

6. Discussion and Conclusion

In this study, we investigate the current trends of CSER by top 20 companies listed in Dhaka Stock Exchange (DSE), Bangladesh. One of the key findings is that the multinational and local financial and banking companies scored well against all the indicator sections. The reasons for multinational company ranked top perhaps their global strategy for CSER. The financial and banking companies scored well because of Bangladesh Bank (BB) recent CSER initiatives. Another reason could be banking and financial companies motivated from the competition among banks to present their existence through social and environmental responsibility. The highest average score found among all 20 companies under the community development and corporate governance section, which is 69 % and 67% respectively. We find that despite managerial ownership, sample companies from all sectors disclose more governance and community related disclosure. The cultural, social and legal systems in many developing countries such as Bangladesh have tremendous influence on corporate governance policies and practices (Khan, Muttakin, and Siddique 2012). Because of vulnerable climate change threat, Bangladesh is severely affected by natural disaster such as cyclone, floods, fire. However, it is common that corporate sectors rigorously help affected people based on their capability.

Whilst the comprehensive quality of a company's CSER does not necessarily assure good 'corporate citizenship' practices, it may be worth noting that the three top scoring companies had also been recognised and well known for their responsibility performance. The companies which are signatory to the UN Global Compact and have adapted some form of the GRI guidelines and ISO 14001 tend to disclose more social and environmental information. An interesting observation is that the embracing of the UN Global Compact, UN Millennium Development Goals and GRI reporting guidelines are adopted on a voluntary basis. Bangladesh is one of the countries who adopted Millennium Development Goal (MDG) in 2002 and subsequently feat in pulling people out of poverty, ensuring that more children, girls and boys, attend school, and have access to clean water. Considerable progress has been made in child survival rate. Bangladesh is among the 16 countries who have received UN recognition for being on track to achieve MDG4. There have been some improvements to address the country's massive environmental challenges over the past decade as well. Out of the 52 MDG targets, Bangladesh is on track on 19 of them; and 14 of them need attention (UNDP 2011). The threat of climate change can also diminish the hard-earned beneficial impacts of years of growth and development not only just for the people in impoverished settlements along coastal belts and riverbanks, but also for the entire nation. The corporate sectors are the major players to help government for achieving these goals. Majority of the sampled companies mention their annual reports that they are helping community for poverty alleviation. Although industrial pollution causes the key environmental problems in Bangladesh but government did not made any mandatory guidelines for this issues. Notwithstanding the regulatory requirements for certain corporate social, environmental and governance disclosures (e.g., The Bangladesh Conservation Strategy, 1995; National Environment Management Action Plan (NEMAP), 1996; Bangladesh: Poverty Reduction Strategy Paper (PRSP), 2005; Bangladesh's strategy for the Millennium Development Goals (MDG); National Conservation Strategy (2005), social and environmental disclosure in Bangladesh is still at infancy stage and predominantly voluntary. The overall disclosures pattern on social and environmental information is improving in Bangladesh with compare to the most recent results by Azim, Ahmed and Islam (2009). It is evident from the finding that sampled companies disclosure varied according to the size of the company's which resonate the findings of Cromier and Magnan (2003) and different industries place different

emphasize on the content of CSER. For example pharmaceuticals and chemicals industry disclose more environmental information whereas Banking and finance company emphasize more on community development disclosure and textile company disclose more on workplace and working condition related information.

In terms of theoretical perspective, why do these companies voluntarily disclose publicly on social, environmental issues? What are the underpinning drivers behind the current state of social and environmental reporting? Studies into the spread or diffusion of social and environmental reporting have approached from several notable theoretical concepts (stakeholder theory, legitimacy theory and institutional theory). Majority of the company states in their annual report that they value the stakeholder needs and expectations, which resonates the Freeman (1984) stakeholder theory. The notion of stakeholder theory is, the success of a corporation depends on the support of the stakeholders, and the operations of the company must be adjusted to meet their approval (Ullmann 1985b; Donaldson and Preston 1995). Stakeholder theoretical concept explains the increasing trend in corporate social and environmental reporting in response to escalating demand for CSER and accountability transparency. This is due in part to the implied 'social contract' organisations have with stakeholders at large. In terms of legitimacy theory, there is a hypothetical social contact between organizations and society (Mathews 1995) and in order to fulfil such as contact organizations legitimise their actions and activities within the society. Establishing legitimacy is real challenge (Suchman 1995) for any organization and maintaining legitimacy even harder than gaining (Ashforth and Gibbs 1990). However, the public disclosure of information is one strategy that a company can undertake to establish or maintain its state of legitimacy (Guthrie and Parker 1989b; Patten 1992; Brown and Deegan 1998), otherwise known as a 'public license to operate' (Deegan, 2002). The findings of this study shows that organizations working in banking sectors experience pressure from Central Bank (Bangladesh Bank) to report on social and environmental issues in their annual report which echo the institutional theory. One distinguishing element provided by institutional theory is that we can expect a tendency for organisations within a particular field to assume similar structures and practices (Powell 1988a). Conformance to generally accepted reporting standards, such as GRI, may enhance moral standing with external stakeholders and can thus be linked also with normative stakeholder theory. It can be argued that rapid adoption of certain voluntary standards may result from heightened awareness initiated by organisations who are 'isomorphic' (DiMaggio and Powell 1983; Rowe 2005). However, this research used publicly available information such as company annual report (2010-2011), stand-alone sustainability report (if the produce), company website and other related documents. One of the main limitations of this study is, it was bound by available information. Secondly, if any conflicting information was found the researchers was unable to clarify the information unless the same/similar information was available in another document and format, which could be used to clarify and validate information. Because of time and resource constraints, the scope of the research focused only on the 20 largest companies on the DSE. Although this sample provided valuable insights, more detailed and in-depth insights could be gained by examining a larger sample.

7. Future Research Direction

The results of this study through the rating of the top 20 DSE companies, has contributed in assisting users of corporate social and environmental reports to determine the companies' level of CSER. The findings can potentially raise awareness among company boards and senior managers concerning reporting and communicating of social, environmental and governance issues. Future researchers in the CSER arena can utilise the results of this study to measure or gauge the 'barometer' of a company's sustainable development.

There is however, scarcely any conclusively 'accepted' theory for the growing diffusion of CSER. Nevertheless, the ardent search for an innovative vision and better standardisation in reporting corporate sustainable development have enriched our understanding of a wide array of views

and philosophies. Future research in this field will serve to enhance our understanding of the state of CSER and in knowing the underlying assumptions behind the trend line. For instance, data from content analysis (such as the findings from this study) can be combined with semi-structured interviewing of key personnel to not only understanding the underlying assumptions for voluntary sustainability disclosures but also investigate how to communicate more effectively with the relevant stakeholders.

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Appendix A : List of sample organizations

ACI Limited
Baximco Pharmaceuticals Limited
Brac Bank Limited
Dhaka Bank Limited
Dutch Bangla Bank Limited
Estern Bank Limited
GlaxoSmithKline BD Limited
IDLC Finance Limited
Marico Bangladesh Limited
National Bank Limited
Premier Bank Bangladesh Limited
Prime Bank Limited
Prime finance and investment limited
Rackitbenkizer Bangladesh Limited
Southeast Bank Limited
Square Pharmaceuticals limited
Square Textile limited
The City Bank Limited
NCC Bank Limited
Prime Textile Limited

Appendix B

Categories/criteria of social and environmental reporting in Bangladesh

<p>Governance, Codes & Policies Board diversity/composition Independent Directors/chairman-one tenth Remuneration/Compensation for board Corporate Governance report Corporate Governance Policy Risk Management code/policy Environment code/policy HR/people code/policy Health and Safety code/policy Product/service responsibility code/policy Suppliers/business partners code/policy Anti-corruption code/policy</p>
<p>CSER Strategy & Communication Board committee for CSER issue CSER strategy/statement e.g. Chairman's statement/notes Direct named contacts for CSER CSER/sustainability report/AR/Web content Separate CSER department/foundation Reporting guidelines, e.g. GRI, AA1000 Setting objectives and targets for environment indicators Setting objectives and targets for social indicators Report Assurance-internal/external Stakeholder engagement, dialogue and response Training for CSER</p>
<p>Marketplace & Supply Chain-product/service indicator Required CSER standards for suppliers Supplier support initiatives/programs/audits H&S management systems Highlight main H&S risks/objectives/accidents Customer focussed initiatives e.g. labelling, health, etc Products/services safety impacts Products/services quality information Non compliance of laws/regulations</p>
<p>Workplace/people Health/HIV-AIDS policy H&S training/prevention program Staff training hours/budget Group-wide employee benefits statement/policy Employee satisfaction surveys-annual, completeness Diversity statistics-race, sex, age, other Diversity initiatives Human rights statement/policy Formal complaints/Whistleblower scheme Freedom of association Working hour related information Child labour policy</p>

Facility for day care/maternity and parental leave
Physically/sexually assault policy

Environment

Environmental management systems
Emission data
Energy/water consumption data
Waste production data
Energy/water initiatives
Renewable energy technology initiatives
Effluent Treatment plant policy and implementation
Global climate Change related policy
Waste reduction/recycling initiatives
Wildlife conservation policy
Training to employees for environmental issues
Customer focussed environmental initiatives

Community and Development

Set Community Investment (CI) criteria –e.g. 2% profit per annum, focus area
CI- type of resources, e.g. money, in-kind, volunteering
CI monitoring systems/impacts
Long term social projects development
UNGC/NDGs alignment
Participate emergency crisis /natural disaster
Social development through scholarship, medical support etc
National and international event celebration with community
Empowering local community