

Sustainability Reporting and Performances of the Companies in the Istanbul Stock Exchange Sustainability Index

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Abstract : In today's business world, in which it is difficult to survive, the economic life of products, services or knowledge is considerably reduced. Competitors produce similar products or extra-featured ones instantly. In this environment, the contribution of companies to the social and economic environment is a preferred criterion by consumers alongside products or services. Therefore, consumers need to obtain more detailed information about companies. Besides, this drastic change in the market encourages companies to become sustainable. Sustainable business means the company puts consumed products back. Corporate sustainability, corresponds to sustainability at the level of the company, and gives equal importance to company growth and profitability together with environmental and social issues. The BIST Sustainability Index started to be calculated by the Istanbul Stock Exchange (BIST) in 2014 to evaluate the sustainability performance of companies in Turkey. The main objective of this study is to present the importance of sustainability reports in Turkey. To this aim, the performances of 15 companies in the BIST Sustainability Index were compared the periods before and after entering the index. On the other hand, sustainability reporting practices should be encouraged to increase studies on this issue. In this context, to remain on the agenda of the issue is a further objective of this study. To achieve these objectives, the financial data of the companies in the period before and after entering to the BIST Sustainability Index were analyzed using t-test in Statistical Package for the Social Sciences (SPSS) package. The results of the study showed that no significant difference between the performances of the companies in terms of the net profit margin, the return on assets and equity capital in these periods could be found. Therefore, it can be said that insufficient importance is given to sustainability issues in Turkey. The reasons for this situation might be considered as a lack of awareness due to the recent introduction and calculation of the index. It is expected that the awareness of firms and investors about sustainability will increase, and that they will demonstrate the necessary importance to this issue over time.

Keywords : sustainability reporting, sustainability index, firm performance, BIST sustainability index

Conference Title : ICSSM 2017 : International Conference on Sustainable Strategic Management

Conference Location : Prague, Czechia

Conference Dates : July 09-10, 2017