



Corporate Sustainability Reporting in the BIST Sustainability Index¹

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ABSTRACT

In recent years, there is a growing focus on corporate operations especially since the publication of the first environmental reports in 1989. Companies have started to publish information about its environmental, social and sustainability policies. The study examines the sustainability reporting elements of Borsa Istanbul Sustainability Index (BIST) in Turkey and to evaluate which elements is most vital in this context. This study will begin with the sustainability reporting that will be examined under the roof of corporation sustainability and end with the examination of sustainability reports of 15 firms, which are included in the BIST Sustainability Index in Turkey, and a content analysis. The reports of companies under study were taken from special web site and GRI (Global Reporting Initiative) database of companies. Being the first study in examining the sustainability report of companies in BIST Sustainability Index, it is expected to contribute in literature about sustainability reporting recently started to gain importance in Turkey. Overall our findings suggest that the sustainability index established in Turkey is still in development stage, but the enterprises in the endeavor are working day by day to develop the sustainability qualities.

Keywords: BIST Sustainability Index, Corporation Sustainability, GRI, Sustainability Reporting.

JEL Codes: M10, M14, M40, M49.

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1.0 INTRODUCTION

By the emergence of financial scandals and global crisis trust of public awareness with company's reporting forms were decreased since transparency and accountability of financial statements which are primary principles are discarded and wounded the belief for the operation of financial system. Formation of reliable investment environments for eliminating such adverse matters made the formation standards

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and principles regarding with corporate sustainability by search of consumers, nongovernmental organizations, syndicates, investors, governments and companies inevitable (Deren Von Het Hof and Hoştut, 2015; Habek 2014). Lai, Lin & Wang say (2015), "...over the last decade, a company's role in achieving sustainable development is important, especially in today's fast-changing environment. Firms are facing fierce competition and need to continuously improve their ability to develop and maintain a competitive advantage".

The World Business Council for Sustainable Development (WBCSD) defined the sustainable reporting as "public reports by companies to provide internal and external stakeholders with a picture of the corporate position and activities on economic, environmental and social dimensions" (WBCSD, 2012). Sustainability reports can be used by different names in the application or in the literature. Searcy and Buslovich (2014) commented in their study as "...In practice, a number of different names may be used to refer to these reports, such as 'sustainability, corporate social responsibility, and corporate citizenship reports, among other possibilities. Key is that the report, whatever its title, contains qualitative and quantitative information of interest to stakeholders on the company's key sustainability issues and initiatives. Many of the world's largest companies now report on sustainability. In a recent study, KPMG (2011) found that 95 % of the biggest 250 companies in the world reported on these issues and initiatives in some fashion".

Terms such as corporation sustainability, corporation social responsibility, sustainability reporting and social audit have frequently been approached by governments, work environments, non-governmental organizations and academicians in recent years. It is because the awareness of being responsible against not only the present generation but also the coming generations has gained acceptance within all the sections of the society. When also considered in terms of the businesses, the necessity of taking the social and environmental dimensions into account instead of considering and giving importance only to the financial situation is an obvious fact. Actually, the firms that adopt the terms of transparency, equity, accountability and responsibility, which are the main principles of the corporation management, have taken their basic steps in sense of sustainability.

However, the scopes of the main terms like accountability and transparency as mentioned here are now much larger. Firms that adopt the term of corporation sustainability, which comes into play at this point, have admitted that they are also responsible against the other stakeholders apart from the shareholders. Stakeholders demand transparency from the firms and want to have information about their social and environmental performances besides the financial performances.

The approach of corporation sustainability can be stated as the observation of the factors related to economic, environmental, social and corporation management by the firm administration as a whole and the efficient management of the risks and opportunities dependent on these factors. The interest in the sustainability reporting, which falls into this approach and is accepted as reports that include the statements of the companies with regard to the economic, environmental and social effects of their daily activities, is rapidly increasing worldwide. Sustainability reporting literature in Turkey is seen that in the initial phase of work on the subject examined. In this study, examining sustainability reporting element of the companies in the BIST Sustainability Index in Turkey and assessing which elements come to the fore in this process is the scientific contribution of the study.

2.0 CORPORATE SUSTAINABILITY CONCEPT

Bowen (1953) stated that the company has the social responsibility too with the exception of manufacturing. After this explanation companies, have started to investigate the corporate sustainability and to integrate the corporate sustainability with the management theories. According to Gladwin et al "... sustainability is concept which is commonly used in all disciplines. It seems to be use of all social, cultural, scientific, natural, human resources aspect based on prudence principle and respecting this approach (Gladwin et al. 1995).

There are so many studies related to the emergence of the concept of sustainability have similar information. The terms collecting these studies "...global climate changes, reductions in biological

diversity, decrease and destruction in national sources causes several risks about future of the world and therefore this caused all societies to take required precautions at global level. Sustainability and Sustainable Development concepts are pointed out and some series of studies and reports were published. One of leading studies about mentioned works and reports in Bruntland Report which published by United Nations Environment and Development Commission. In this report sustainable development was defined as to meet the requirements of present generation without causing harm for future generations” (Gray and Milne, 2002; Aras and Crowther, 2009; Glavic and Lukman, 2007; Aksu, 2011; Kuşat, 2012).

According to Dyllick and Hockerts (2002), the corporate sustainability is a mixed of environment and social sustainability in the companies. According to Marrewijk and Were (2003), corporate sustainability refers to a company’s activities as social and environmental concerns in business operations and interactions with stakeholders. According to Hahn and Scheermesser (2006), corporate sustainability means to be in some operations to facilitate and improve the conditions of company as well as the creation of economic value.

According to Kaypak (2010) sustainability “... can be defined as competency of a ecosystem or and system presenting sustainability without interruption, distortion, exhausting and laying on primary sources very much”. Some definition for the concept of sustainability in various studies in the literature, and they emphasize the importance was compiled as follows: Sustainability not only covers its own internal factors of enterprise but also all external factors influencing the operation and evaluation of such factors (Deloitte, 2014). Sustainability indicators include economic, social and environmental and social criteria and corporate and management performances. Financial performances of enterprise, profitability and growing factors are undoubtedly critical factors effecting the success however when mentioned factors are evaluated with respect to time they cover short termed and generally the period when performances are measured (Dyllick and Hockerts, 2002). “Carrying out performance evaluation of companies by only considering the performance evaluation can be resembled driving a car by only looking at rear view mirror.” (BIST, 2014). At the same time sustainability covers the processes of meeting demands and expectations of vast shareholder group such as employees, suppliers, customers, states, non-governmental organizations and investors (CSR, 2010).

Corporate Sustainability is very attractive for investors. Reason for this interest relies on understanding to maintain long termed values for investors. Nowadays corporate sustainability concept where investment can be made is possible since corporate sustainability performances are measurable. Concrete steps to be taken by enterprise about sustainability are outlined in "Sustainability for Companies" study which is published in 2014 by BIST (BIST, 2014). Accordingly with this adopting and actualizing transparency, inferiority, accountability and responsibility principles, use of technologies which will pollute environment less in production process, taking steps which may carry environmental protection conscious in all functions of enterprise, producing healthy products for consumers, improving working conditions of employees in operation, formation of ethical rules within organization, maintaining energy saving in production and operation processes, developing innovative products from the sample for concrete steps to be taken.

3.0 SUSTAINABILITY REPORTING AND SUSTAINABILITY INDEX

According to Ballow and Heitger (2005), corporate sustainability reporting is a new field for corporate reporting that involves reporting non-financial and financial information to a broader set of stakeholders than only the shareholders. According to stakeholder theory, the corporate governance system that takes into account the relationship not only between managers and shareholders in a company is not sufficient. The relationship between the company and other groups also takes into account to survive the company. Hence, there are also the responsibilities of the company to the other stakeholders except the shareholders. The concept of stakeholders form the basis of stakeholder theory, which may affect the objectives of the company and is expressed as parties affected by the company achieve its objectives. In the other words the stakeholders are connected groups with companies to maintain the existence of the company (Freeman and Reed, 1983). According to Freeman and Mc Vea (2001), the relations between

stakeholders play an important role in achieving the objectives of the company and place of company objectives more easily that as long as the good of the relationship. Organizations are realizing that meeting stakeholder expectations is a necessary condition for sustainability in concert with the need to achieve the overall strategic objectives of the business. Stakeholder theory has expanded its business objective of profit maximization and creating value for shareholders, but also for other stakeholders other than shareholders, have revealed the necessity of the creation of value (Longo et al, 2005). According to this theory, the purpose of a company is to create value for all stakeholders and to maximize this value. The information in the sustainability report must include the priorities and indicators that may impact on the assessments and decisions of stakeholders (GRI, 2010). Therefore, sustainability reporting contains important information for stakeholders. In the literature there are so many studies addressing the sustainability reporting valuation in terms of stakeholder management. One such study, Manetti and Toccafondi (2014) investigated the role of stakeholder participation in sustainability reports filed of non-profit companies. According to the results of survey, reporting quality based on stakeholder management have concluded. Prado-Lorenzo et al. (2009) have found no significant relation between the economic performance of companies and stakeholder engagement by evaluating the GRI report of Spanish companies.

Number of companies reporting sustainability performances of companies increased with high amount in all around the world. While some companies mention the steps regarding with sustainability in activity reports some of them inform their shareholders by opening new headline in websites. On the other hand majority of companies prepare a separate sustainability report. There are different reporting standards which are recognized all around the world for providing companies to prepare clear, understandable and transparent sustainability reporting. Mention standards are updated continuously accordingly with shareholder demands and emerging needs. Companies providing consultancy services and mentioned frameworks are guides for companies to perform qualified reporting (BIST, 2014). Sustainability reporting make preventive contribution to shareholders to keep their messages under control in data collection, analyzing and reporting for the companies to reduce the risks they may encounter. In addition to this contribution it promotes the factors such as transparency and accountability (GRI, 2015). One of the primary properties of sustainability reports is to highlight the financial and non-financial performances of companies. While reporting companies develop long termed objectives, and form their management strategies, policies and business plans according to sustainability vision. As result of relevant reports, company management may determine possible risks and opportunities and able take required decisions. Therefore they are able to determine the steps easily for strengthening their position in business world (BIST, 2014).

Global Reporting Initiative (GRI) was first established in the United States, and when it became successful it quickly spread internationally. GRI is the best known and most widely applied method for sustainability reporting worldwide (Bergmans et al. 2014). GRI is a non-profitable organization which determines standards about environmental- social management reporting and corporate social responsibility reporting and particularly in sustainability reports, and considers promoting the economical sustainability as its main objective (Zickiene and Juozaitiene, 2013). The first Sustainability Reporting Guidelines were released by GRI for public use in the year 2000 (GRI, 2014).

According to the Guide that published by GRI in 2006, “...systematic sustainable report maintains understandable explanation and data which can be compared with criteria. Together with the increase in importance for sustainability, there is increase in number of companies issuing the sustainability reports in abroad. Number of GRI reports which are prepared based GRI reporting framework has reached to 21.000 by 2015. Sustainability reports which were developed using GRI reporting framework covers conclusions and results which has occurred within context of management approach, strategy and organization's commitments during reporting period. Briefly mentioned reports” (GRI, 2006);

- Comparison and evaluation of Sustainability performances with laws, rules, regulations and performance standards and volunteer initiatives.
- Indicating how corporate effects the expectations about development and who they are affected from them.

- For objectives such as comparing performance within organization and with different organizations in time.

Increase in number of companies reporting the sustainability performances of companies by 1990s, cause emergences of funds based on sustainability. This case caused formation of sustainability index in capital market. Dow Jones Sustainability Index which was established in 1999 as response to this need, became able to measure the sustainability performance of 2500 companies in short time period and formed the basis sustainability indexes which will be formed in future years. There are so many sustainability indexes in the world. The sustainability indexes in the world according to sustainability reporting are given in Table 1. Although the Domini 400 Social Index was released in 1990, the Dow Jones Sustainability Index was the first sustainability index and it was launched in 1999 by New York Stock Exchange. On the other hand the first sustainability index in Johannesburg, South Africa for an emerging economy was launched in 2004. The First Corporate Sustainability Index in Sao Paulo, Brazil (Latin America) was launched in 2004 (Orsato et al. 2015).

Table 01: Sustainability indexes

Index	Year and Founder	Characteristics
Domini 400 Social Index	1990 Kinder, Lydenberg, Domini and Co	Composed of a selection of 400 North American companies from which 250 belong to the S&P500 index
Dow Jones Sustainability Indexes (DJSI)	1999 Dow Jones Indexes, STOXX Limited and SAM-The Sustainable Asset Management Group	Calculated and analyzed in a manner similar to the Dow Jones Global Indexes and sub categorized into two indexes: the DJSI World and DJSI STOXX, the latter being a mixed index of European companies.
FTSE4Good	2001 British Corporate Group	Derived from the FTSE global index, specifically from the FTSE-All Share Index(UK) and the FTSE All-World Developed Index(Global).
Ethibel Sustainability Indices (ESI)	2002 Standard & Poor's (S&P)	Composed of 4 regional indexes: ESI Global, ESI Americas, ESI Europe and ESI Asia Pacific.
Socially Responsible Index (SRI)	2004 Johannesburg stock exchange, South Africa	Considered the first sustainability index from an emerging country
Calvert Social Index	2004 Calvert Corporation	Composed of 680 companies selected from 1000 of the largest publicly traded companies in the USA.
Corporate Sustainability Index (ISE)	2005 Brazilian stock Exchange(BM&FBOVESPA)	Originally funded by the International Finance Corporation (IFC), the private sector arm of the World Bank. Developed by the Center for Sustainability Studies of the Getúlio Vargas Foundation (GVces).
KLD Indices	2007 KLD Research and Analytics	Also developed the Corporate Social Ratings Monitor, which is a database for social research purposes, comprising over 4000 companies in the US.

Orsato et al. 2015

Significant steps are taken in also our country. One of the most important steps is the BIST Sustainability Index which is included in Borsa Istanbul since November 2014. BIST Sustainability index started to be calculated and published as price and income with XUSRD code beginning from 4 November 2014. Main objective of BIST sustainability index is to create an index which will include companies which are traded in exchange and of which sustainability performances are at high level and increasing the understanding knowledge and applications about sustainability (BIST, 2014).

“BIST Sustainability Index” presents how companies approach the subjects such as global warming, exhausting of natural sources, decrease in water resources, health, safety and employment and similar subjects and other subjects which are important for Turkey and world, and maintains assessment of activities and taken decisions with an independent eye and registering them with a manner. Additionally

index provides opportunity for companies to compare their corporate sustainability performances with global and local manner. By Index also a performance assessment tool for improving and determining new targets and opportunity for development risk management skills related to transparency, accountability and sustainability (BIST, 2014; SPYD, 2015).

4.0 DATA AND METHODOLOGY

In our study sustainability reports of 15 companies which are included in BIST sustainability Indexes were examined. Companies which are included in this index which is formed by examination made by Borsa Istanbul BIST 30 index are as following with their discussing order: Akbank T.A.Ş., Arçelik A.Ş., Aselsan Elektronik Sanayi ve Ticaret A.Ş., T. Garanti Bankası A.Ş., Koç Holding A.Ş., Migros Ticaret A.Ş., Petkim Petrokimya Holding A.Ş., Hacı Ömer Sabancı Holding A.Ş., TAV Hava Limanları Holding A.Ş., Turkcell İletişim Hizmetleri A.Ş., Tofaş Türk Otomobil Fabrikası A.Ş., Türk Telekomünikasyon A.Ş., Tüpraş-Türkiye Petrol Rafinerileri A.Ş., Türkiye Vakıflar Bankası T.A.O., Yapı ve Kredi Bankası A.Ş. Reports which were examined within scope of work were taken from special web site and GRI database of companies which were examined within scope of work.

5.0 ANALYSIS RESULTS

When Table two is generally overviewed it can be seen that there are 5 industrial, 5 banking, 2 communication, 4 holding and 1 retail company in index. It is observed that sustainability reports (SR) is not applied in 5 of 15 companies which are included in sustainability index. There is detailed information about sustainability activities in activity reports of companies which do not have sustainability report. Although there is not sustainability report for Hacı Ömer Sabancı Holding A.Ş., there is sustainability report for group companies. It was published in activity report of Migros Ticaret A.Ş. which is the only retail company in index, that sustainability report will be released by 2014. For Petkim Petrokimya A.Ş. which is another company which do not have report, out of sustainability reports which are mentioned in activity reports, there is sustainability link in web site where environmental and occupational health applications are mentioned. Türk Telekomünikasyon A.Ş is another company of which sustainability report is not published has CDP (Carbon Disclosure Project) since 2010 and at the same time this was selected as "Carbon Transparency Leader in CDP Turkey 2013 Climate Change reporting which is organized by Sabancı University Corporate Management Form. Last company which is included in Index but not having report is Türkiye Vakıflar Bankası T.A.O. This company has declared that it is in preparation of CDP and GRI reports by 2014.

Publishing sustainability report is not prerequisite for being included in BIST sustainability report. Election criteria for this index require comprehensive examinations. Generally index selection criteria are included in three main titles: (1) environmental criteria (environment-bio diversity, climate change etc). (2) corporate management criteria (structure of management board, fight with bribery), (3) Social Criteria (human rights, health and safety).

Year: When table two is examined it can be seen that there are 10 companies releasing SR. Report releasing years are included in first row of Table two. According to this it can be seen that companies out of Aselsan and Tofaş release sustainability report more than one year. Arçelik is the company which released the most number of reports. (7 years)

Report type: When Table two is considered it can be seen that two of companies release the report in G1 report type, three of them release in C G4 and one of them release in non-GRI type (data for last year where release was made is considered). GRI which has the property of being the organization which got the most application about sustainability report in the world classified the report types such as G1,

Table 02: Classification of companies which are included in BIST sustainability index with respect to several factors

SR	AKBNK	ARCLK	ASELS	GARAN	KCHOL	MGROS	PETKM	SAHOL	TAVHL	TCELL	TOASO	TKOM	TUPRS	VBN	YKBNK
Year	2009/2014	2007/2013	2012	2012/2013	2010/2013	-	-	-	2010/2011	2008/2013	2013	-	2008/2013	-	2010/2013
R. Type	G3 (2013)	G4 (2013)	Non GRI	G4(2013)	G3(2013)	-	-	-	G3.1(2011)	G3.1(2013)	G4	-	G3.1(2013)	-	G3.1(2013)
R. Period	1 annual	1 annual	X	6 monthly	1 annual	-	-	-	1 annual	2 annual	1 annual	-	2 annual	-	1 annual
Level⁴	B	Core	X	Compr.	B	-	-	-	C	B	Core	-	B	-	B
Sect. sup⁵	✓	X	X		X	-	-	-	✓	✓	X	-	X	-	X
Status	GRI-checked	GRI-checked	X	GRI-checked	GRI-checked	-	-	-	Self-decl.	GRI-checked	GRI-checked	-	GRI-checked	-	GRI-checked
Integrat.⁶	X	X	X	X	X	-	-	-	X	X	X	-	X	-	X
N. of page	126	72	43	184	60	-	-	-	47	109	60	-	58	-	100
CDP⁷	✓	✓	X	✓	✓	-	-	-	X	X	✓	✓	X	-	X
IFC⁸	✓	X	X	X	✓	-	-	-	X	X	X	-	X	-	X
OECD⁹	X	X	X	X	X	-	-	-	X	X	X	-	X	-	X
UNGC¹⁰	✓	✓	X	✓	✓	-	-	-	X	✓	X	-	✓	-	✓
ISO¹¹	X	X	X	X	X	-	-	-	X	X	X	-	X	-	X
AA1000¹²	X	X	X	X	X	-	-	-	X	X	X	-	X	-	X
Stakeh.¹³	X	X	X	X	X	-	-	-	X	X	X	-	X	-	X
Assura.¹⁴	X	✓	X	X	X	-	-	-	X	X	X	-	X	-	X
XKURY¹⁵	✓	✓	✓	✓	X	X	✓	X	✓	X	✓	✓	✓	X	✓
F.500T.¹⁶	X	13	51	X	31 ¹⁷	17	28	38 ¹⁸	71 ¹⁹	11	18	8	1	X	X
Fo.500G.²⁰	X	X	X	X	217	X	X	X	X	X	X	X	X	X	X

⁴ Application level.⁵ Sector disclosures/ Sector supplement:⁶ Integrated Reporting⁷ Carbon Disclosure Project⁸ IFC (International Finance Corporation) Environmental and Social Sustainability Standards⁹ OECD Multinational Companies General Principals¹⁰ The *United Nations Global Compact*¹¹ ISO 26000 Social Responsibility¹² AA1000 Accountability Principles¹³ Stakeholder Panel/ Expert Opinion¹⁴ External assurance¹⁵ BIST (Borsa Istanbul) Corporate Management Index¹⁶ Fortune Turkey 500 2013 List¹⁷ Otokoç from group companies¹⁸ Carefoursa from group companies¹⁹ TAV Tepe Akfen İnşaat from group companies²⁰ Fortune Global 500 2013 List

G2, G3, G4. The first version of the guidelines was launched in 2000. In 2002 the guidelines were revised and GRI launched the second generation of guidelines, the G2. The third generation of guidelines, the G3, were launched in 2006 then GRI published the G3.1, and finally it published the G4 in 2013. The biggest innovation of the G4 (will be single standard in 2016) is that it abolished the previous application levels.

Whatever the report type, in reporting GRI request public and private standard notifications from companies. Briefly in General Standard Notifications; explanations for strategy and analysis, corporate profile, defined factors and frames having priority, shareholder participation, report profile, governance, ethic, integrity and similar categories are requested. GRI G4 also explanations for sectors are requested.

Reporting period: According to Table two, six of companies who released annual, 2 of them released annual report, 1 of them released monthly sustainability report (Data of last year when publication is made was considered).

Level (application level): According to this line where GRI application levels are indicated five of companies declared application B (G3 and G3.1 report type), one of them declared C (G3.1 report type), two of them declared (G4 report type,) 1 of them declared comprehensive (G4 report type) (data for last year when release was made was considered). One company which are published SR has declared Non-GRI type report so there is no application level for that company. Declaring this application level maintains information about which GRI reporting frame elements are used. There are three levels for meeting the requirement of people at beginners, advanced level report preparers and intermediate ones. These are mentioned as C, B and A. Report preparation criteria in each level reflects the application and capacity increase in GRI reporting frame (GRI, 2006). Present GRI application levels (A, B and C) in GRI reporting type were replaced with new reporting levels such as Core and Comprehensive. If we compare them with current levels Core is at level between B and C and Comprehensive corresponds a level between B and A.

Sector disclosures/ Sector supplement: Four of companies which are included in work discloses Sector disclosures /Sector supplement (data for last year when publication is made is considered).

Status: Eight of companies which are included in study declared their reports as GRI checked and one of them declared as self-declaration.

Integrated reporting: Integrated reporting has financial aspect for sustainability which is not financial. Therefore integrated report which is called as single report is a reporting where financial information and sustainability information for business activities are presented in single frame. There are no integrated reports which were published by any companies included in our study (Table 02). However we should mention as deep not that Çimsa Çimento A.Ş. (Hacı Sabancı Holding Group Company) and Garanti Bankası A.Ş are real sector representatives having important works about integrated reporting.

Number of page: When sustainability reports of companies, average 86 pages are prepared per company (Table 02).

CDP (Carbon Disclosure Project): Six of companies which are included in our study have CDP report (Table 02). CDP is an organization which has works for protection natural sources and reducing the effects of climate changes and changing the operation form of business world.

IFC (International Finance Corporation): Two of companies which have participated to our study has works compliant with Environmental and Social Sustainability Performance Standards (Table 02).

OECD: None of companies which are included in our study has report according to Multinational Companies General Principles (Table 02).

UNGC: Seven of companies which are included in our study have contract consisting of twelve principals which is known as United Nations Global Principles Contract (Table 02).

ISO: None of companies which are included in our study have ISO 26000 Social Responsibility Conformity report (Table 02). ISO 26000:2010 standard which is formerly known as SA 8000 standard and published in November 2010 first time by International Standards Organization has the property of being first official document which was agreed about issues of social responsibility terms and applications.

AA1000: None of companies which are included in our study has Accountability Principles Report (Table 02). AA1000 Standard is a standard which was developed for accounting, inspection and reporting based on social responsibility against all shareholders, volunteerism principles.

Stakeholder Panel/ Expert Opinion: None of companies which have participated to our study as explanatory sections for stakeholders (Table 02).

Assurance: Only one of companies which are included in our works and made sustainability report as external assurance sign in sustainability report. External assurance of sustainability report is not compulsory. In former report types of GRI G4 Adding + symbol to A, B and C (eg C⁺, B⁺, A⁺) means that it passed through external audit. However + symbol was eliminated from application levels after publishing G4. It is subject to the supervision of a sustainability report means that the quality and credibility of relevant information about sustainability. However, when preparing the sustainability report are faced with many costs. White collar costs are accumulated by long and painstaking works From the fixed costs of sustainability team to spending the time in requiring the information and document from other units, from the training to overseas calls, from stationery to internal controls. Finally, the high cost is 'External Audit (assurance)' of completed reports. The preparation of sustainability reports and auditing also poses a voluntary for out of four countries in terms of considering country applications. These four countries are China, Denmark, Malaysia and South Africa ([Ioannou and Serafim, 2014](#)). Therefore the only one report of companies in BIST sustainability index to control is usual by us due to the high cost of auditing and the obligation of supervision.

XKURY: 10 of companies which are included in our study are included in Corporate Management Index (Table 02).

Fo. 500T: Order of companies in Fortune 500 2013 list are presented (Table 02).

6.0 CONCLUSION

Global warming of which risks increase every day, biodiversity loss, rapid exhausting of sources, and pollution, poverty and hunger, illness, human rights violations, corruptions and similar basic problems forces all humanity to new searches. Sustainable development which is to be conscious not only for its own generation but also future generations are rapidly accepted by countries.

Objective of sustainable development is “to meet the requirements of present needs without putting into risk of meeting requirements of future generations”. Each type of organization has role at achieving this target because of their key functions within society ([WCED, 1987](#)). However it is the reality that financial perspective is not sufficient and additionally environmental and social aspects should also be considered.

With this respect sustainability reporting is measuring, explaining and being responsible against internal and external stakeholders about sustainability reporting and sustainable development objectives. Sustainable reporting is synonymous with terms (e.g triple responsibility reporting, corporate responsibility reporting) which are used in reporting regarding with economic, environmental and social effects ([GRI, 2013](#)). Although it is performed based on volunteerism principle except some countries, it is carefully followed by society and investors in the world. Gaining importance by this concept, taking decisions by investors for their investment by considering the sustainability factors take attention of capital market and investors and they are involved in studies for popularizing the sustainability consciousness for this manner.

Up to 2015 (including 2015) 186 reports (GRI, non GRI total) were released by 80 companies regarding with sustainability (GRI 2015). By the same that number of sustainability reports which were released in all around the world is 25.000 (GRI, Non GRI total). BIST sustainability index which will maintain benefit for our country to follow this rapid development in the world and creating awareness about this subject started to be calculated in November 2014 by 15 companies. BIST sustainability index will cause acceleration in national and international area for companies and credit organizations about sustainability.

There are 5 industrial, 5 banking, 2 communication, 4 holding and 1 retail company in index. It is observed that sustainability reports (SR) is not applied in 5 of 15 companies which are included in sustainability index. We evaluate the companies by using several factors in the reports. According to the results, generally index selection criteria are included in three main titles: (1) environmental criteria (environment-bio diversity, climate change etc.). (2) corporate management criteria (structure of management board, fight with bribery), (3) Social Criteria.

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