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Architecture of corporate reporting on the sustainable development of business entities in the agrarian sector as a tool of sustainable agri-management

Irina Kryukova*

Doctor of Economics, Professor
Odesa State Agrarian University
65039, 13 Panteleymonivska Str., Odesa, Ukraine
<https://orcid.org/0000-0002-0577-6364>

Viktor Zamlynskyi

Doctor of Economics, Professor
State University of Intellectual Technologies and Communication
65000, 1 Kuznechna Str., Odesa, Ukraine
<https://orcid.org/0000-0001-7642-2443>

Tetiana Vlasenko

Doctor of Economic, Professor
Simon Kuznets Kharkiv National University of Economics
61166, 9A Nauka Ave., Kharkiv, Ukraine
<https://orcid.org/0000-0002-9515-2423>

► **Abstract.** Increasing the level of competitiveness of the agricultural sector and solving important tasks for rural areas requires the consideration of the priorities of sustainable development. The implementation of this task requires new concepts of agricultural management, the justification of which is impossible without improving corporate reporting. The purpose of this study was to supplement the scientific and methodological framework for the development of a reporting architecture for the sustainable development of agricultural companies. This study involved the following methods: monographic, graphic, method of systematization and logical concretization, synthesis, induction and deduction, questionnaires, generalization, method of structural and genetic analysis and synthesis. The study found that in modern management, corporate financial and non-financial reporting is a strategic management tool that signals investors about the long-term nature and public priorities of business development. It was discovered that reporting on sustainable development is becoming widespread in the practice of foreign companies. The attitude of the management of Ukrainian agricultural companies towards the issue of the expediency of adding sustainable development indicators to management reporting was clarified. The corporate reporting of Ukrainian agricultural enterprises was analysed, which allowed identifying the key guidelines for reporting on sustainable development in the future. The set of qualitative characteristics of reporting on the sustainable development of Ukrainian agricultural companies was substantiated. Based on the mathematical model, an attempt was made to estimate the impact of corporate reporting on sustainable development on the profitability of agricultural companies. The results showed a connection between these factors in large agricultural holdings and uncertainty in medium and small agricultural companies. The results can be used by agricultural enterprises that are focused on achieving the sustainable development goals of agricultural production and rural areas

► **Keywords:** reporting; agricultural companies; management; agriculture; sustainable development; social responsibility; efficiency

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*Corresponding author



► Introduction

In the context of increasing requirements and risks for socially responsible business activities, certain information contained in the financial statements of companies is insufficient to make effective management and investment decisions. Reporting on sustainable development has become the information and analytical basis of modern corporate management, based on the principles of social responsibility and the creation of socially necessary value. Today, reporting on sustainable development forms the potential of trust in the company, the commitment of customers and consumers, and the margin of safety for increasing the value indicators of the brand and the business as a whole.

Exacerbations of global social, environmental, and economic problems of humanity today form new prerequisites for determining business performance criteria. High profits are no longer the most important indicator of business success. Indicators of social significance and value of goods, works, services, types, and results of companies' activities are increasingly coming to the fore. Many international corporations today confidently demonstrate that future success is guaranteed to businesses that are not indifferent to socially significant problems of humanity (climate, ecology, poverty, social justice, etc.) and publish their corporate reports on solving these important tasks of society.

Starting from 2023, the Corporate Sustainability Reporting Directive (CSRD), adopted by the European Parliament (Directive EU, 2022), entered into force within the European space. The main issues regulated by the Directive on non-financial corporate reporting are environmental aspects, aspects of business-staff relations, respect for human rights, fight against corruption, gender equality of staff. As noted by J. Krasodomska & P. Zieniuk (2023), today the international community is undergoing a critical period in the implementation of the ambitious sustainable development goals, which are scheduled to be implemented by 2030. The solution of these issues appears not only in the context of the responsibility of states and governments of countries; the leading role is assigned to business and its socially responsible part. In this regard, financial and non-financial corporate reporting becomes of strategic and priority importance, which should disclose the goals, indicators, and effectiveness of sustainable development of companies for society.

F. Rosati & L. Faria (2019) call sustainability reporting "...the practice of publicly reporting on how an organization achieves its sustainability goals". A. Elalfy *et al.* (2021) determine that the largest part of sustainable development reporting today falls on the countries of South America and Europe. According to O. Makarenko (2023), an expert of the auditing company KPMG in Ukraine, the most active regions in the practice of reporting on sustainable development are the countries of the Asia-Pacific region (89%), the EU countries (82%), the Middle East and Africa (56%).

O. Budko (2020) considers sustainable development reporting to be a strategic tool that concretizes sustainable development issues, which facilitates further assessment and monitoring of their achievements in the company. According to the study results of S. Pizzi *et al.* (2020), the systems and standards of sustainable development, as well as the practices of compiling and publishing financial statements compiled based on their use, have a positive impact on the activities of companies and business development. Orientation of enterprise management towards the use of sustainable development standards in business and the display of the results of such activities in corporate reporting T. Tsalis *et al.* (2020) send a powerful signal to investors on the presence of long-term competitive advantages. A. Haji *et al.* (2022) determine that the decision to prepare and publish reports on the sustainable development of companies is considerably influenced by the industry affiliation and sensitivity of the business.

The scientific originality of the present study lies in complementing the methodological foundations of corporate reporting on sustainable development for business entities in the agricultural sector of the economy, factoring in the specifics of their functioning within the Ukrainian agro-industrial complex.

The purpose of this study was the scientific and applied substantiation of the conceptual foundations of the reporting architecture for sustainable development of Ukrainian agricultural companies and determination of its key qualitative characteristics to meet the information needs of sustainable agricultural management.

► Literature Review

The issue of reporting on sustainable development has gained considerable popularity and relevance among Ukrainian and foreign researchers in recent years. Well-known agricultural scientists of Ukraine have made a powerful contribution to the development of the scientific, theoretical, and methodological framework of sustainable development as a strategic tool for the development of the national agrarian business. Y. Bezdushna *et al.* (2022) investigated the impact of companies' financial statements on the capitalization of their assets. Yu. Lupenko *et al.* (2020) indicate that the implementation of systemic structural transformations in the further development of the country's agricultural sector requires new approaches to management and new management decisions, the information and analytical basis of which is corporate reporting. V. Mesel-Veseliak (2016), upon substantiating the strategic development vectors of the agricultural sector in rural areas of Ukraine, pointed out the need to solve acute socio-economic and environmental issues that form the framework of sustainable agricultural development goals. M. Puhachov (2020) expands the scope of the tasks of sustainable development of rural areas, identifying the improvement of management of sustainable development of rural areas as the first

and priority task in their overall list. The thorough results of their research reflect strategic guidelines, opportunities, and prospects for the development of the agricultural sector and rural areas of Ukraine in the context of the transition to a global concept of sustainable existence. Strategies, vectors, and trends in the development of agricultural business clearly defined by these scientists require their further detail, search for effective tools for their implementation in economic practice and testing the results obtained.

C. Ngwakwe (2008) states that coverage of financial and non-financial performance of companies, specifically in the field of environmental, social, and managerial components, contributes to the improvement of financial results, return on investment and asset growth of the company.

In the world, out of the 250 largest companies in terms of size and scale of activity, 93% prepare and publish sustainability reports. According to T. Mohin (2018), a quarter of them use the Global Reporting Initiative (GRI) standards. In Europe, 96% of companies in major European indices publish sustainability reports.

According to D. Partridge (2018), large companies clearly demonstrate the connection between their sustainability activities and the development of individual business value and social value. Today, it is important to demonstrate this dependence to buyers, employees, investors, shareholders, and all interested public groups, to demonstrate that such dependence has a commercial effect and solves the most important environmental and social issues. This connection is a means of increasing the level of profitability and increasing value for investors. A. Ferrell *et al.* (2016) prove that on stock exchanges, financial instruments of companies that demonstrate corporate sustainability reporting are in greater demand.

According to the results of research conducted by A. McWilliams & D. Siegel (2000) in American companies, it was found that sustainability reporting has a positive and considerable effect on return on equity, return on assets, and profitability in the forecast period. P. Whetman (2017) adds that corporate sustainability reporting has a particularly significant impact on the profitability of companies with low levels of institutional ownership.

As R. Stammers (2017) points out, the lack of information and reporting of companies on sustainable development is increasingly viewed by potential investors as value risks. P. Wright *et al.* (1997) and S. Teoh *et al.* (1999) agree that, as a management factor, sustainability reporting forms a powerful information and analytical basis, the scope of which is much broader than conventional reporting, which contains mainly financial data on business. Y. Nakao *et al.* (2007), A. King & M. Lenox (2001) proved that the degree of relevance of sustainability reporting is considerably higher, which increases the effectiveness of management and investment decisions and reduces potential management risks.

► Materials and Methods

The materials for this study included data obtained based on generalizations of Ukrainian and foreign scientific literature on issues of corporate reporting of business entities. Specialized data on the global reporting initiative's system of standards and requirements were also added to the information base of this study. As additional information and analytical materials, the author of this study used data from international organizations (13 largest agricultural..., 2021), annual financial and non-financial reporting of individual large agricultural holdings of Ukraine (Non-financial reporting..., 2021), published on the official websites of companies, results of surveys of managers and specialists of agricultural enterprises.

A set of general scientific and specific methods of economic research was used in the study, which were based on a dialectical methodological approach to the knowledge of socio-economic phenomena and processes. The analysis method was used to identify key trends in the development of corporate reporting of companies and investigate the procedures for its regulation in international practice. Based on the method of systematization and specification, a review of the scientific literature was conducted and the author's vision of the need to supplement the conventional financial statements of agricultural companies with a set of non-financial indicators was formed. The method of synthesis, induction and deduction, as well as systematization of the results of scientific research, formed the methodological framework for substantiating the author's concept of corporate reporting architecture for the sustainable development of agricultural companies in Ukraine. Methods of systematic approach, systematization and logical structuring were used to substantiate the qualitative characteristics of corporate reporting of agricultural business entities. The methods of observation and comparison underlie the description of the professional discourse concerning the discussion of the obtained results and opinions of other scientists on the problem of improving the information and analytical basis of modern management in the field of corporate reporting on sustainable development.

Part of the material for conducting the study was collected by the method of a selective survey of the target audience, which was conducted based on a survey using a sample questionnaire developed by the authors. The face-to-face form of conducting the survey was chosen (involving higher education graduates who underwent practical training at agricultural enterprises). The condition for participation in the voluntary survey was to indicate the name of the agricultural enterprise, position, and surname of the defendant. The respondents of the survey were heads and chief specialists of agricultural business structures of the Odesa region. The total number of respondents who answered the questionnaire was 53. The questionnaire contained six main questions with suggested possible answers in the context of the

importance of indicators of sustainable agribusiness development for the needs of future management

and a separate point of appreciation for taking part in the survey (Table 1).

Table 1. Survey questions that were used in the study

<i>Company name</i> Question	<i>Respondent's full name and details</i> Answer options
Do you consider it important for management to reflect information on sustainable development in the company's financial statements?	– yes – rather “yes” than “no” – “no”
Do you consider the amount of information on sustainable development available in the company's annual financial statements sufficient?	– yes – rather “yes” than “no” – “no”
Do you consider it appropriate to supplement management reporting with sustainable development indicators?	– yes – rather “yes” than “no” – “no”
Do you consider it appropriate to supplement the company's financial statements with information about risks associated with sustainable development?	– yes – rather “yes” than “no” – “no”
Does your company take part in the implementation of sustainable development programs and projects?	– yes – “no”
Do you consider it appropriate to take further participation of the company in the implementation of sustainable development programs?	– yes – “no”

Source: compiled by the authors

The results of the survey were processed using the statistical method. Based on the economic and statistical method, the impact of corporate reporting on the financial result of agricultural formations was estimated. As a particular methodological technique of the economic and statistical method, a three-factor mathematical model of multiple linear regression was used, which showed a high level of reliability at 96%:

$$Y_i = b_0 + b_1x_1 + b_2x_2 + b_3x_3, \quad (1)$$

where x_1 is the cost per 1 ha of arable land; x_2 is the amount of investments in social development per 1 ha of arable land; x_3 is the coefficient of disclosure of information about sustainable development by the company in reporting.

The conclusions to the study were formulated using methods of concretization, generalization, structural and genetic analysis and synthesis of the obtained results. Some of the results of the conducted research, author's developments and recommendations were presented using the graphical visualization method.

► Results and Discussion

In modern conditions, reporting on sustainable development is an important indicator of business reliability and stability, a marker of its long-term goals and intentions, and a guarantor of business corporate responsibility to customers, society, and the environment. Reporting on sustainable development is a necessary tool that allows determining the strategic investment priorities of a company, forming a comparative picture of its attractiveness in its industry sector, and providing information to society about the unity of goals and objectives of business development with socially significant and important tasks of the present and future.

The corporate strategy of ensuring and protecting the interests of investors and shareholders is no longer limited to the cost framework of net profit, which is an indicator of the present and does not guarantee an increase in efficiency in the future period. A more promising indicator and source of satisfaction of investors' economic interests is the value of the business, which generates the potential for productivity and increasing the income of its owners in the future. Sustainability reporting acts as a tool for forming and increasing business value at the same time as increasing the level of its social responsibility in solving the key tasks of society's existence.

The EU directive from 2014 (A matter of principles..., 2021) established that large companies in the European Union (companies with over 500 employees) must disclose non-financial information. In 2021, the Corporate Sustainability Reporting Directive (CSRD) was adopted, which applies to all companies operating on regular markets, includes reporting on the green course of economic development and requires a mandatory audit regarding its reliability (Directive EU, 2022). According to the International Federation of Accountants, today in the world about 91% of companies provide reporting on sustainable development. Of these, about 51% of companies provide relative confidence in the accuracy of such reporting, about 9% of companies provide guarantees of sustainability reporting, which are confirmed by professional auditors or specialists affiliated with audit firms (IFAC state of play..., 2022).

The corporate reporting architecture model today is based on the system of international standards for sustainable development: GRI, a set of accounting standards for sustainable development developed by SASB (Sustainability Accounting Standards Board), standards of the Task Force on Climate-

related Financial Disclosures (TCFD), a set of tasks in the field of sustainable development goals based on the UN, the EU Sustainable Finance Disclosure Regulation, SFDR, the Directive on non-financial reporting (NFRD - EU), etc. The developed project of the International Standard, which defines the key principles for disclosure of information about sustainable development in financial reporting, is "General Requirements for Disclosure of Sustainability-related Financial Information" (2021). All these standards are not mandatory for practical application, although they are required by financial and stock exchanges in most countries of the world (Villiers & Tsagas, 2020).

In modern practice, the value of a business based on sustainable development is determined in several ways. One of them is based on the actual sustainability ratings and indices (DJSI, FTSE4 Good, Euronext Vigeo Eiris, STOXX ESG-X, Sustainalytics), which are considered by investors for making investment decisions (Buchholz *et al.*, 2020). Accounting concepts have made a considerable contribution to the development of sustainable development standards, namely the Value Balancing Alliance initiative, which is actively supported by the Big Four accounting firms (Value balancing alliance..., 2020), Sustainable Business Value (SBV) (Hayatun & Wiwin, 2012). There is a close connection between the value of a brand that demonstrates respect for the needs of the environment, society, its staff and consumers and added opportunities to generate dividends and maximize future profits for shareholders by increasing the company's reputation capital (Loh & Tan, 2020).

The study analysed the reporting of companies in the agrarian sector of the economy of Ukraine and assessed its content and quality. 98.5% of owners and managers of agricultural companies identified the importance of corporate reporting in terms of disclosing indicators and data on the achieved level of sustainable development of the company. 81.2% of respondents consider information on sustainable development to be incomplete and insufficiently informative. 83.6% of respondents expressed their desire to supplement the corporate reporting of companies with quantitative indicators of sustainable development. Over 96% of respondents expressed their desire to provide more thorough analytical information and explanations about trends and prospects for sustainable development of the company and a detailed assessment of the risks associated with the implementation of particular business programs.

Studies have shown that the financial and corporate reporting of Ukrainian companies is rather limited in terms of quantifying the value of objects of future investments in sustainable development programs. Analytical information on assessing the relationship and results between investment in sustainable development programs and future business growth opportunities and prospects is also limited. Considerable difficulties in reporting on sustainable development in Ukraine are explained by the fact that financial statements, their structure, content, forms, and set of indicators are strictly governed at

the state regulatory level and reporting cannot be supplemented according to the requirements of its principal users (owners, investors, stakeholders, etc.). Under these conditions of drafting full corporate sustainability reporting, Ukrainian companies still use international accounting standards. Or another option: financial reporting and the formation of additional internal management reporting that is not regulated by national frameworks and standards.

Corporate reporting on the sustainable development of Ukrainian agricultural companies should form an element of the unified reporting architecture of the agro-industrial complex, as part of the nationwide concept of formation, use, and publication of the results of activities in the field of sustainable development of the national economy. Therewith, the preparation of a conceptual framework for corporate reporting on sustainable development should consider the specifics and features of the functioning of agrarian production. It is also necessary to indicate the development of rural areas, the system of interrelations with other areas of the agro-industrial complex to ensure the implementation of common sustainable development goals at the level of the country's agro-industrial complex (Fig. 1).

Presently, corporate sustainability reporting of Ukrainian agricultural companies is characterized by the following disadvantages: lack of consistency and clear criteria for its drafting and provision; lack of a single reporting period, structure and forms for such reporting; a free set of indicators and reporting items that do not always fully disclose information about sustainable development, program implementation costs and results obtained. In addition, the problem is the predominance of financial reporting indicators over non-financial ones, which are key in sustainable development issues, and the lack of a qualitative assessment of strategic prospects for agribusiness development. Specifically, due to the advance in ensuring sustainable development, the number of indicators for assessing future risks and the results of the impact of sustainable development on the further development of the company is limited. The lack of clear guidelines for the requests of the main users, first of all, investors, staff, public groups, and the predominant orientation of corporate reporting of medium and small enterprises to the state management sector may be the main drawback of reporting by Ukrainian agricultural companies.

The key guidelines for compiling corporate sustainability reporting of national agricultural companies should be as follows: 1) creation and increase in value and its parts in the industry chain; 2) increasing the amount of incoming investment flows and the value of business as a whole; 3) satisfying the economic interests of owners and investors; 4) implementation of programs of social responsibility to society and the company's personnel; 5) unification with world standards, requirements, and indicators of sustainable development; 6) clear reflection of strategic development goals; 7) transparency, prominent level of trust and social nature of presentation

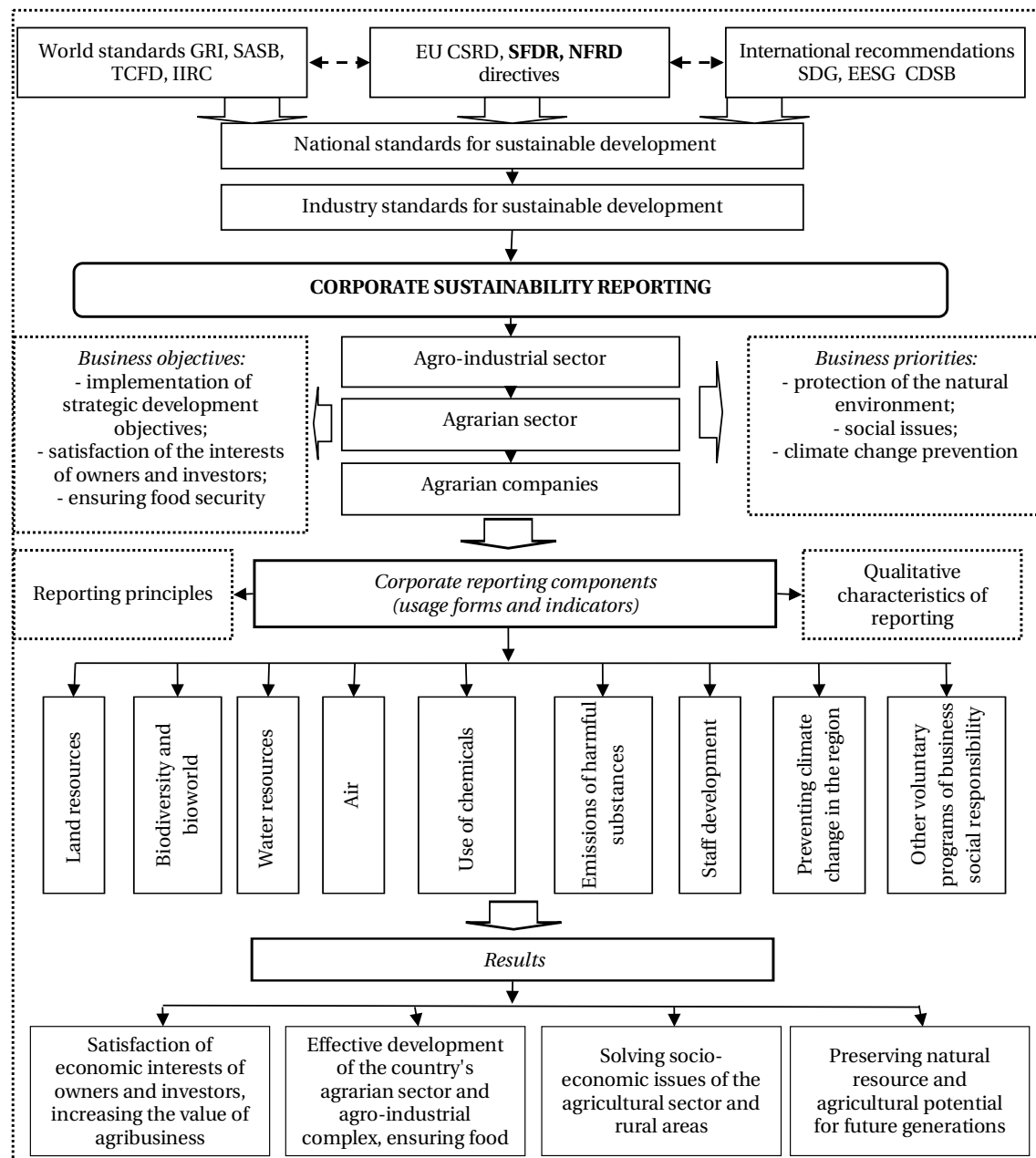


Figure 1. Architecture of corporate sustainability reporting of agricultural companies in Ukraine

Source: developed by the author of this study

According to the conceptual framework of financial statements, their key qualitative characteristics are relevance, materiality, truthful presentation, comparability, verification capability, timeliness, and clarity. Experts of the International Federation of Accountants (IFA) in the context of the formation of a new generation of non-financial sustainability reporting focus on the need to ensure its compliance with the following parameters: meaningfulness, objectivity, reflection of ecosystem indicators, reliability, proportionality to issuers, compliance with modern technologies, timeliness (Companies, investors, and professionals..., 2022). Fully agreeing with these qualitative parameters, we consider it appropriate to supplement

them in terms of forming corporate sustainability reporting for agricultural companies in Ukraine, factoring in the specific features of the current level of development of theory, national methodology and practice (Fig. 2).

Corporate sustainability reporting today should include indicators and analytical explanations regarding information on economic activity and its results, technical standards and their implementation in the field of social development of personnel, environmental development, climate change, anti-bribery, the results of investing in social responsibility business programs, social activity of agricultural companies and involvement in solving important tasks for Ukrainian society.

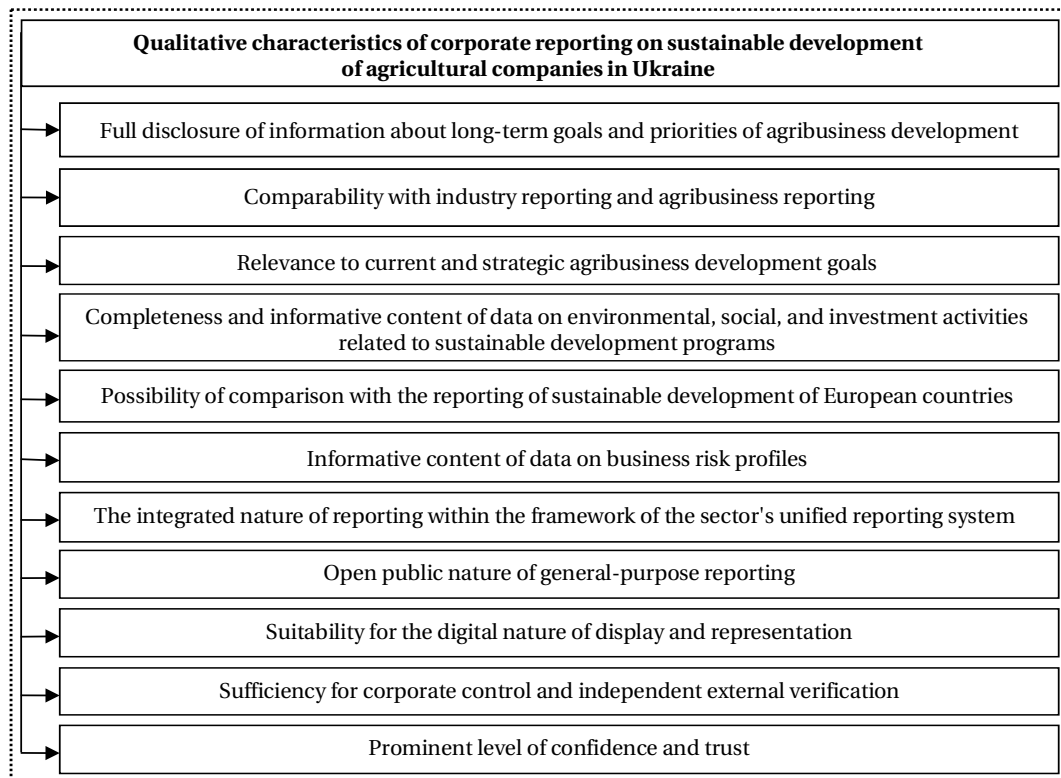


Figure 2. Qualitative characteristics of corporate reporting on sustainable development of agricultural companies in Ukraine

Source: developed by the author of this study

In 2020, according to Forbes lists, the largest agricultural companies (in terms of annual revenue) of Ukraine were Kernel (\$4.4 billion), MHP (\$1.9 billion), Nybulon (\$0.9 billion). Eridon (\$786 million), Suntrade (\$853 million), Cargill (\$682 million), ADM “Ukraine” (\$856 million), Delta Wilmar (\$241 million) (13 largest agricultural..., 2021).

These agricultural companies are the largest in Ukraine, they prepare their financial statements according to both national and international standards, form and publish non-financial statements that contain indicators of sustainable development. Corporate reporting on sustainability of these agricultural companies has many common features. It is compiled within the framework of social responsibility programs for agricultural businesses, is the result of a voluntary contribution of companies to the social, economic and environmental spheres, and meets the strategic goals and guidelines of their activities. The main areas of the sustainable agricultural development policy of these companies are as follows: preserving the environment, saving resources, programs, and projects of social protection of personnel, a prominent level of quality and responsibility for products, support for local territorial, specifically, rural communities.

The main vectors of sustainable development activities of the largest agricultural companies of Ukraine are as follows: 1) achievement of environmental and social goals of sustainable development through management of the company's value

chains; 2) transition to the use of bioenergy (biomass TPP); 3) development and implementation of corporate climate strategies; 4) further certification of environmental management systems, personnel health and product safety and quality; 5) personnel development. However, this practice of implementing sustainable development programs and corporate reporting is now mainly inherent in large agricultural holdings and is less common in medium- and small-sized agricultural formations.

Due to the prominent level of social responsibility, participation in programs and preparation of corporate reports on sustainable development, large agricultural companies were excluded from the statistical sample when forming a mathematical model of the dependence of reporting on sustainable development and the cost of business of medium and small agricultural enterprises in Ukraine.

The mathematical model showed a fairly high level of reliability ($R^2=0.96$), which confirmed a close relationship between the selected factors and the business value (total assets) of Ukrainian agricultural companies. Based on economic and statistical indicators of the activity of agricultural companies, the mathematical model has the following form:

$$Y_i = 734.3 + 0.48x_{1j} + 0.84x_{2j} + 45.4x_{3j} \quad (2)$$

The conducted research identified the main weaknesses of medium-sized and small agricultural companies in terms of managing agricultural activities based on sustainable development: lack of

systematicity in planning and ignoring the modern practice of investing in sustainable development programs; weak (or non-existent) communication systems, lack of intangible assets, predominant focus on achieving short-term development goals (profit maximization), low level of corporate culture and reporting. Small agricultural enterprises are characterized by a cost-based approach to agricultural management.

The results obtained indicate the successful development of methods and forms of responsible management based on the principles of sustainable development in large agricultural companies in Ukraine. Compilation and publication of corporate reporting on sustainability by representatives of large agrarian businesses of Ukraine on official websites is also an effective practice. Therewith, the study demonstrates the need for further research towards substantiation and search for effective tools for attracting medium and small agricultural companies to take part in sustainable agricultural development programs in Ukraine. A problematic aspect for small agricultural formations is the system of implementing motives and incentives for long-term sustainable development in practical activities.

The key issues of agriculture and rural areas of the national economy today are as follows: a considerable percentage of agricultural land degradation, a small share of the area under organic farming, an increase in the level of use of chemical soil treatments, and a prominent level of energy-intensive production. Furthermore, Ukrainian agribusiness is characterized by a considerable reduction in the biodiversity of farm animals, insufficient financial state support for the industry and rural areas, low degree of intersectoral integration and low share of agricultural products in the added value of the public national product, low level of income and well-being of rural residents, indifference to environmental problems in the context of temporary maximization of farmers' profits.

Effective communication with stakeholders is currently based on a socially responsible or sustainable reputation, reputation capital, and strategy aimed at achieving sustainable development, which must be recorded and properly disclosed in relevant non-financial reporting documents. The use of these parameters creates an opportunity for stakeholders to obtain data that provides the value and effectiveness of integrated information on the innovative development of agricultural enterprises (Zamlynskyi et al. 2023).

The authors agree with the conclusions of scientific studies by Y. Bezdushna et al. (2022), who determine that financial reporting is a tool for capitalizing Ukraine's national wealth and capitalizing business assets. Therewith, the authors do not specify exactly how reporting should be integrated to perform capitalization functions at different levels of economic management. The proposed concept of corporate reporting architecture of agricultural companies in Ukraine makes provision for a structural combination of management levels and reporting on sustainable

development: from agricultural business to the agro-industrial complex as a whole. Only an integrated methodical approach allows creating systematic information and an analytical base necessary for sustainable management of all spheres of agriculture.

In C. Ngwakwe's (2008) impact assessment model, indicators of the firm's environmental responsibility (personnel health and safety, waste and community development) were chosen as the basis and factors of the multiple regression model. Therewith, we consider it more correct to attribute indicators of personnel safety and community development to the social component of sustainable development. Fully agreeing that these factors are actively involved in the achievement of the sustainable development goals and influence the financial results of the company, we consider it appropriate to choose more comprehensive relative indicators, e.g., the amount of social development costs per 1 ha.

D. Partridge (2018) has proven that the value factor and sustainability of entrepreneurship are gaining increasingly more trust from business owners and users of financial statements. Partridge notes that the integration of elements of sustainable development into the business strategy and reporting can cause initial inconsistencies and the need to supplement it with certain principles and characteristics. However, in his further studies, such characteristics are not detailed. The authors of the study believe that the definition of new qualitative parameters of corporate reporting of business entities is one of the defining aspects, and therefore a set of such characteristics for reporting of agricultural companies was presented.

Part of the authors, including A. Ferrell et al. (2016), Y. Nakao et al. (2007), T. Mohin (2018), A. King et al. (2001), investigate the financial and non-financial reporting from the standpoint of the social responsibility of firms, which manifests itself mainly in the form of social or environmental forms. We believe that the study of corporate reporting from the standpoint of the impact of the concept of sustainable development on it is a more universal methodological approach, since sustainable development is a systematic category that covers, among other things, aspects of social responsibility of business.

A. Hayatun & B. Wiwin (2012) present two models of corporate reporting: the first model - the model of sustainability reporting, the second model - reporting based on the disclosure of information about the economic, social, and environmental components of the company's activities. Agreeing with the importance of reflecting all these aspects in the corporate reporting of business entities, the authors attempted to combine these components in a single architecture. The integration of corporate reporting of agricultural companies into a single system of information and analytical support, which today is necessary for solving the urgent tasks of the further functioning of the agrarian sector and rural areas of the country, appears as a methodological principle different from all previous models of building sustainability reporting.

► Conclusions

The conducted study has proved the exceptional importance, relevance, and global scale of using standards and requirements of sustainable development in the practice of corporate reporting of companies. Reporting based on the principles of sustainable development includes three main groups of indicators: environmental, social, and economic activity. The results of the studies have proved that owners and investors of Ukrainian agricultural companies consider corporate reporting, which is compiled and published, incomplete and insufficiently informative in terms of indicators of sustainable development. A considerable difference between the national practice of preparing corporate reports of Ukrainian companies is the predominant focus on the public management sector and strict regulation of the composition, forms, and content of financial statements of enterprises.

During systemic analysis, it was concluded that corporate reporting becomes the dominant feature of the unified architecture of sustainable development of the agricultural sector and should create prerequisites for motivating business entities to achieve its goals and objectives. Considering this principle, the model of corporate reporting architecture for sustainable development of Ukrainian agricultural companies was substantiated. As an addition to the conceptual framework for the preparation of non-financial reporting, it was found that the key qualitative characteristics of corporate reporting on the sustainable development of Ukrainian agricultural companies should be comparability with the reporting of the agricultural sector and long-term orientation, comparison with practice, openness, transparency, and informative content, a prominent level of trust and suitability for digitalization.

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The assessment of the current level of sustainable development of the country's agriculture over the past two decades indicated a sharp trend of deterioration of key indicators of environmental activity of Ukrainian agricultural companies, the disappearance of biodiversity, low income of rural residents, the presence of considerable issues in the conservation of natural resources, specifically, land resources.

The assessment of the level of influence of corporate reporting on the value of agrarian business revealed the presence of considerable differences in the obtained results depending on the size of agrarian companies. In large agricultural holdings of Ukraine, a close direct relationship was revealed between financial indicators (revenue size) and business value. In medium and small enterprises, the existence of such a link was ambiguous and indicated the need for further investigation. The research revealed the existence of a certain issue of motivating the management of medium and small agricultural companies in Ukraine to prepare corporate reports on sustainable development. In the near future, it is also necessary to develop a mechanism for involving medium and small agricultural companies in the sustainable development reporting system. The substantiation for such a mechanism should be based on the principles of combining sustainable development management at all levels of institutional regulation: at the level of the country's agro-industrial complex, agriculture, and agricultural management of companies.

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► Conflict of Interest

None.

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Архітектура корпоративної звітності зі сталого розвитку бізнес-суб'єктів аграрного сектору як інструмент сталого агроменеджменту

Ірина Олександрівна Крюкова

Доктор економічних наук, професор
Одеський державний аграрний університет
65039, вул. Пантелеймонівська, 13, м. Одеса, Україна
<https://orcid.org/0000-0002-0577-6364>

Віктор Анатолійович Замлинський

Доктор економічних наук, професор
Державний університет інтелектуальних технологій і зв'язку
65000, вул. Кузнечна, 1, м. Одеса, Україна
<https://orcid.org/0000-0001-7642-2443>

Тетяна Анатоліївна Власенко

Доктор економічних наук, професор
Харківський національний економічний університет імені С. Кузнеця
61166, пр. Науки, 9, м. Харків, Україна
<https://orcid.org/0000-0002-9515-2423>

► **Анотація.** Підвищення рівня конкурентоспроможності аграрного сектору та вирішення важливих для сільських територій завдань потребує врахування пріоритетів сталого розвитку. Реалізація даного завдання потребує нових концепцій агроменеджменту, обґрунтування яких неможливо без удосконалення корпоративної звітності. Метою статті було доповнення науково-методичного базису формування архітектури звітності зі сталого розвитку аграрних компаній. При написанні статті було використано наступні методи: монографічний, метод абстрактної систематизації і логічної конкретизації, методи синтезу, індукції і дедукції, метод анкетування, методи абстрактної конкретизації, узагальнення, структурно-генетичного аналізу і синтезу, графічний метод. В процесі проведення дослідження було визначено, що у сучасному управлінні корпоративна фінансова та нефінансова звітність є стратегічним інструментом управління, який сигналізує інвесторам про довгостроковий характер і суспільні пріоритети розвитку бізнесу. Виявлено, що звітність зі сталого розвитку набуває значного поширення у практиці діяльності зарубіжних компаній. Було з'ясовано ставлення менеджменту українських агрокомпаній до питання доцільності доповнення управлінської звітності показниками сталого розвитку. Проведено аналіз корпоративної звітності українських аграрних підприємств, що дозволило виділити ключові орієнтири складання звітності зі сталого розвитку у перспективі. Обґрунтовано сукупність якісних характеристик звітності зі сталого розвитку вітчизняних агрокомпаній. На основі математичної моделі здійснена спроба оцінити вплив корпоративної звітності зі сталого розвитку на доходність аграрних компаній. Результати показали наявність зв'язку даних факторів у великих агрохолдингах та невизначеність у середніх та малих агрокомпаніях. Результати можуть бути використані аграрними підприємствами, які орієнтовані на досягнення цілей сталого розвитку сільськогосподарського виробництва і сільських територій

► **Ключові слова:** звітність; аграрні компанії; управління; сільське господарство; сталий розвиток; соціальна відповідальність; ефективність