

*Research article***Non-financial information and their reporting—evidence of small and medium-sized enterprises and large corporations on the Czech capital market****Jaroslav Sedláček* and Veronika Popelková**

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Abstract: This article analyzes the impact of mandatory disclosure of non-financial information in the financial statements of business corporations. The research method is regression and correlation analysis and statistical testing of hypotheses. The sample for empirical research is compiled from the accounting statements of all corporations traded on the Czech capital market in the period from 2013 to 2018 and contain 264 reports. The results of the research confirmed the growing trend of publishing non-financial information and at the same time a significant share of large corporations compared to small and medium-sized enterprises (SMEs). The positive result of the research testifies about the following of global trends in the reporting of non-financial information by corporations on the Czech capital market, but despite the efforts of regulators, significant differences in the quantity and quality of reports were confirmed.

Keywords: non-financial information; corporate social responsibility; corporate annual report; environmental; social and governance reporting; global reporting initiative

JEL Codes: G32, M21, M41

1. Introduction

A characteristic feature of the development of company is the growing need for information in the form of data about the environment, its status and processes in it. From a microeconomic perspective, information is perceived data about the characteristics and organization of corporations. The scope, content and form of information has been determined by the needs of users, especially owners, potential investors, employees, state, region, business partners, creditors and others. Accounting has become a traditional source of information, providing information on the financial position and performance of corporations. The government has taken charge of regulation by issuing laws, decrees, standards, or other legislative standards. In 1844, the Companies Act was published in the UK, requiring companies to present their balance sheets to shareholders and put them in the register. Principles and fundamentals of financial reporting have been entrusted to private, professional, non-profit organizations. In 1934 it was the Financial Accounting Standards Board (FASB), which issued the US GAAP and on the international level, the International Accounting Standards Board (IASB), which started issuing IAS in 1971, later called IFRS. The assessment of the economic situation and the performance of commercial and public companies was enabled by methods of financial analysis based on financial indicators (absolute and ratios) or their systems containing hierarchically arranged or assigned indicators based on comparative analytical or mathematical statistical methods. Especially creditworthy (diagnostic) models, which are able to evaluate the financial situation (financial health) of a company, or as the case may be its position (when compared in a space) and bankruptcy (predictive) models, which represent early warning systems capable of predicting its crisis development and indicating potential threats to the company's financial health have proven themselves in practice (Sedláček, 1999). Quantifiable (hard, tangible) indicators, measurable by a cardinal scale, are also part of a comprehensive rating (or scoring) of larger territorial units (cities, regions, states or their groupings). According to the London-based rating company Standard Ethic (2019), we are facing the end of a classic financial era focused solely on economic indicators and it is necessary to draw attention to the creation and implementation of information systems built upon qualitative (soft, intangible, non-measurable) indicators based on the strategic and long-term objectives of the company and reflecting the external and internal environment of the evaluated entity and the processes taking place within it.

In the financial analysis, non-financial indicators form the so-called fundamental part, which evaluate the company's relationships to the external and internal environment. At the end of the last century, these were factors expressing the success and benefits of companies. An example is Model 7S by the authors Peters and Waterman (2004), Balanced scorecard by Kaplan and Norton (1996), Porter's (2008) model of Five Competitive Forces, Political, Economic, Socio-cultural and Technological (PEST) or Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis (Aguilar, 1967). New non-financial information requirements are associated with the sustainable development of companies or organizations and reflect the economic, environmental and social impacts of their daily activities. Modern information systems that integrate financial and non-financial indicators of development level are suitable for evaluating individual states and their groupings, regions and corporations. It is not only biologists, sociologists, futurologists, ecologists, economists, scientists and academics that realize that the extensive development of society is being carried out at the expense of natural resources that are not inexhaustible and must be preserved for future generations. Thanks to modern information technology and technical progress, the growth rate is accelerating and does not take into account the disadvantages

of unbalanced economic growth, including impacts on human welfare and the environment. There is a need for the long-term sustainability of development, which is defined in different ways, but most commonly referred to as the Brundtland Report (WCED, 1983): “Sustainable development is a development that meets today’s needs without compromising the ability of future generations to meet their own needs”. Sustainable development goals (SDGs) are a roadmap for a better and more sustainable future for all and were issued by the UN General Assembly in 2015 with a deadline of 2030 and are part of UN Resolution 70/1, Agenda 2030 (UN 2015). Deegan (2014) highlights the growing importance of social and environmental reporting issues, referred to as Corporate Social Responsibility (CSR), Sustainability Reporting, Environmental Reporting (ESG) or the Global Reporting Initiative (GRI). Initially general reporting frameworks created by expert groups within national and multinational organizations (UNESCO, OECD, IOSCO, WBCSD, EU and others) as non-binding are currently being made compulsory. This obligation was introduced in 2004 in the Czech Republic by Act No. 437/2003, which amends Act. No.563/1991 Coll., on Accounting, following the European Commission Directive, for companies that are issuers of securities registered on a regulated stock market in the Member States of the European Union. The amendment to Accounting Act No. 462/2016 requires the disclosure and verification of non-financial information as of 1 January 2017, extending their disclosure obligation to large entities, specifying its structure and form of publication in an annual or separate report. As reported by the study of Kašparová and Škapa (2008), Bohušová (2011) or later Hasprová and Brabec (2014) many companies began to report environmental and social information, but the content and form were very different. Similarly, in the study by Evangelinos and Skouloudis (2014) found that non-financial accounting and reporting are still unsystematic activities in Greece, actively supported by only a small fraction of large firms, with considerable variability between disclosures. Economist Milton Friedman described corporate social responsibility as notable for its analytical freedom and lack of rigor (Waddock et al., 2002). The Czech territory still lacks an overall view of the development of corporate social responsibility reporting trends before the implementation of European Parliament and EU Council Directive 2014/95/EU. Therefore, in our empirical research, we focused on the fulfillment of the information duty of companies traded on the Czech capital market between 2013 and 2018, on the content, structure and form of reporting. The aim is to find out if the deviations in the reporting of corporations are relevant to their users.

1.1. Literature review

Non-financial information is often associated with social responsibility and long-term sustainability in scientific and technical literature. According to Marrewijk (2003), the principle of self-determination is balanced by the principle of community: subjects are part of a larger whole and should therefore adapt to changes in their environment and respond to the remedies of their stakeholders. The law and the ability to create added value equals the responsibility of company for its effects and adaptation to changes in its environment. Without following this principle, companies eventually risk extinction. The Engert and Baumgartner (2016) study explores the factors involved in the successful implementation of a sustainable development strategy. The authors consider the sustainable development strategy to be a comprehensive goal of the company, from which the management, production and financial performance strategies are derived, including the social, environmental and economic context. Porter and Kramer (2011) consider corporate social responsibility (CSR) to be a central element of sustainable profit making. Leaders who successfully

manage social, ethical, environmental and other non-financial factors help ensure a stable, resilient company that is able to deliver sustainable value to shareholders. Ioannou and Serafeim (2011) reported that the lack of commitment of companies with the community and the lack of transparency of their impact on society has created the idea of mandatory CSR. The transition from voluntary CSR to compulsory has been particularly notable for large companies. Structured, formalized and codified approaches are progressively applied from the informal publication of information. The research of Wang and Choi (2010) confirms that meeting stakeholder needs has a positive impact on corporation performance. Corporations develop and implement stakeholder engagement procedures, implement methods for measuring and long-term reporting of non-financial information.

According to Wolf (2014), disclosing information on various aspects of their social and environmental behavior goes beyond legal requirements and minimizes damage to corporations and companies. Companies that do not add environmental thinking to their strategy risk losing side opportunities in markets that are increasingly shaped by environmental factors. Stakeholder theory suggests that the better a company manages its relationship with different participants, the better its financial performance. In an environmental context, stakeholders can put pressure on the adoption of proactive environmental practices that improve their environmental performance. This improved performance can increase an organization's internal effectiveness and external legitimacy, which in turn can lead to a competitive advantage and wealth. Active environmental practices are referred to as intangible managerial innovations, routinely requiring organizational commitments to improve the natural environment that are not required by law (Darnall et al., 2010). Empirical studies published by Gonzalez-Ramos et al. (2018) suggest that proactive companies are able to develop better relationships with stakeholders and are more involved in CSR than those characterized as followers or innovators. Here are two main reasons that justify these results: (1) CSR practices assist companies with retaining highly qualified employees, helping to maintain their leadership position; and (2) technology leaders tend to be more involved in CSR as a way of collecting valuable knowledge that can be useful in exploring new opportunities through innovation, allowing the business to respond more flexibly to market changes and the needs of new stakeholders as well as to change their preferences. In addition, CSR initiatives will contribute to the development of high-value intangible assets, such as corporate reputation, which in turn will boost the corporation's financial performance. National corporate social responsibility and institutional conditions are the subject of the Halkos and Skouloudis (2016) exploratory study.

According to a survey conducted by the Audit and Advisory Company EY in 2015, non-financial information cannot be considered an ancillary item in the annual report beyond the financial statements, but becomes an essential part of investor decision-making processes. There was a dramatic increase in the number of respondents from 35% to almost 60% between 2013 and 2014, who consider CSR or sustainability reports to be important when making investment decisions. In the context of numerous violations of corporate ethics or related scandals, the main challenge is to provide transparent and value-oriented reporting that includes non-financial information and will be designed to stimulate stakeholder confidence.

Are no longer assessed solely on the basis of traditional metrics such as financial performance or the quality of their products or services. Today, businesses are increasingly being judged by their relationships with workers, customers and communities, as well as their impact on society as a whole transforming from business to social enterprises. Social capital is in many ways a newfound value alongside the value of financial and physical capital. Successful businesses today need to perceive

external trends, perspectives and requirements by maintaining positive relationships not only with customers and employees, but also with local communities, regulators, and many other stakeholders. This shift reflects the growing importance of social capital in shaping the purpose of a business, leading stakeholders and influencing its ultimate success or failure. According to the survey, 18% of companies consider the CSR program a key strategic priority, 26% rank the program in their priorities and 56% do not intend to implement it.

A detailed look at the global trends in CSR is provided by survey by KPMG, which was performed at the TOP 100 corporations by revenue (N100) on the global sample of 4,900 corporations and 250 of the world's largest Fortune 500 corporations (G250). Research has confirmed the growing growth of CSR and its inclusion in annual reports is a standard practice. As shown in Figure 1, more than three-quarters of the world's 250 largest corporations now report at least some non-financial information in their annual financial reports.

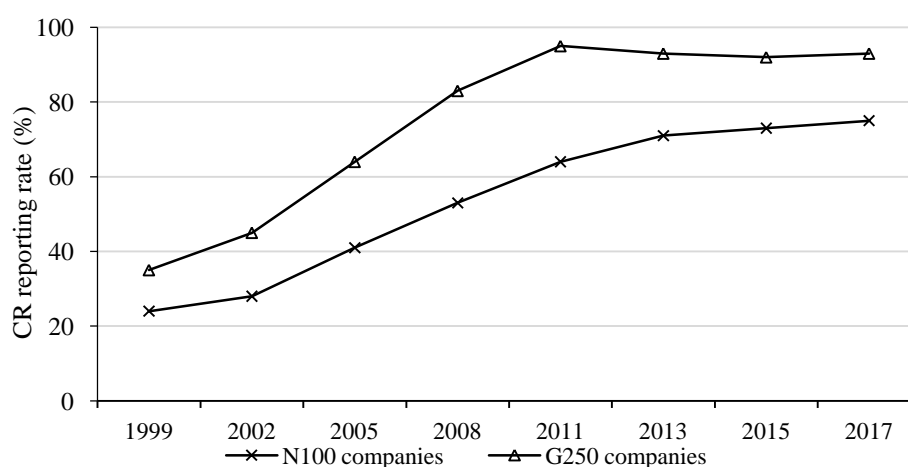


Figure 1. The rate of corporate responsibility reporting among the N100 and G250.
Source: Authors' calculation based on data from KPMG (2017).

Many countries have adopted the concept of integrated financial and non-financial reporting and have issued regulations and stock exchange guidelines, leading to a 73% increase in CSR by large corporations. France (93% of the 100 largest companies), Great Britain (90%), Norway (86%) and Denmark (82%) were the best performing non-financial reporting countries in Europe. In contrast the research focusing on a small sample of leading European banks, published by Avramopou et al. (2019), found an overall low contribution to sustainable development goals (SDG's). In addition, each bank's contribution remains particularly heterogeneous for most of the SDG's individual objectives.

In the Czech Republic, only 43% of the 100 largest companies publish their non-financial indicators, such as environmental impacts of business, respect for human rights, philanthropy or anti-corruption rules and transparency. In transposing the directive, the Czech Republic has not made the requirements for non-financial reporting more stringent, nor has it extended its obligation outside the public interest sphere. This allowed corporations to carry out voluntary reporting, but most of them still do not. Although the law requiring non-financial reports came into force on January 1, 2017, information on the state of non-financial reporting in the Czech region is not yet available (Popelková and Sedláček, 2019). Therefore, in our research, we have focused on the quality of

referenced information in order to meet the needs of users in the economic, environmental, social and governmental fields.

2. Materials and methods

The subject of the research are commercial corporations (entities) that are legal entities with their registered office in the Czech Republic, foreign legal entities and entities that are accounting entities or are obliged to keep accounts if they do business in the Czech Republic or perform other activities according to special regulations. The research sample is determined by the following criteria:

- (1) A longer period of time is chosen to monitor the evolution of reporting, in order to exert effects of the external environment, in particular by users of information and regulators.
- (2) Both European and Czech accounting legislation places particular emphasis on the reporting of economic quantitative information, while non-financial information should be included in annual reports, respectively notes and comments on the financial statements. It is therefore necessary to include corporations that are obliged to submit an annual report in addition to the financial statements. These are capital companies that, when meeting certain criteria, must audit the financial statements by an auditor. The report also includes non-financial information pursuant to Section 21 of the Accounting Act: on the anticipated development of corporation activity, on research and development activities, on environmental protection activities and labor-law relations.
- (3) Companies that are issuers of securities on a regulated securities market in EU Member States must prepare financial statements in accordance with IAS/IFRS. Corporations compiled financial statements under international accounting standards for the first time, in the accounting period following the year in which the Czech Republic's EU Accession Treaty came into force. IAS/IFRS does not require the disclosure of non-financial information but leaves the ability to disclose the information needed to make decisions by users in the notes or comments on the financial statements. Nor do they specify the content requirements of the annual report, as opposed to public capital market regulators, who require issuer annual reports.
- (4) The sample should include at least as many subjects as possible to determine the interdependence (independence) of the traits examined.

These criteria are best met by corporations that are issuers of securities on a regulated stock market in EU Member States and are also perceived as small to large companies according to the criteria set out in Table 1, established by the Accounting Act. Thus, the sample includes all corporations traded on public securities markets in the Czech Republic, which are obliged to disclose non-financial information, and their analysis may provide a partial answer to the research question as to whether and to what extent corporations disclose non-financial information.

The classification of companies will enable confirming the generally stated view that large companies are more willing to disclose non-financial information than small and medium-sized corporations (see e.g. EY 2015 or KPMG 2017 surveys). The positive development of non-financial reports reflects the requirement of long-term sustainability of the company's development and with related growth in the demand for adequate information. Data excerpted from the reports were examined, classified, summarize and compared. A regression linear function is used to describe the development trend in the willingness to report non-financial information to both small and medium-sized and large corporations. When it comes to testing the significance of the difference between the two categories, the

Chi-Square Independence Test is used. The test results are compared in terms of time development in the interval from 2013 to 2018.

Table 1. The criteria used for classifying corporations.

Criterion	Category		
	Small	Medium-sized	Large
Total net assets in CZK	> 9,000,000 ≤ 100,000,000	> 100,000,000 ≤ 500,000,000	> 500,000,000
Net annual turnover in CZK	> 18,000,000 ≤ 200,000,000	> 200,000,000 ≤ 1,000,000,000	> 1,000,000,000
Average number of employees	> 10 ≤ 50	> 50 ≤ 250	> 250

Source: Own elaboration according to the Act No. 563/1991 Coll., on Accounting.

Empirical research should also answer the question, of what is the quality of reported information. The rating scale includes four levels. The rating scale comprises four levels, differentiated according to the form of disclosure and content:

- (1) corporations only report economic information to investors about the financial situation and performance achieved in given period.
- (2) in addition to economic information, non-financial information is also presented, focusing on the environmental consequences of their activities and labor-law aspects.
- (3) reports include corporate social responsibility information at the ESG level in the form of a separate report or as part of an annual report.
- (4) reports compiled according to the guidelines and framework of an independent international GRI standardization that integrate corporate financial and non-financial performance information and analyze its corporate impact.

The formulated hypothesis should verify whether the published assumptions about the positive development of the quality of non-financial information in the monitored period 2013–2018 were valid. Chi-Square's statistical independence test will again be used to confirm or refute the hypothesis.

3. Empirical results and discussion

The research sample, which includes all companies traded on the Czech capital markets, is subject to analysis and testing in terms of both quantitative and qualitative approach to reporting. Altogether there are 264 reports, of which 188 contain non-financial information in addition to financial information.

3.1. The trend of publishing non-financial information by corporations in terms of size

To assess the approach of corporations in a research sample, the shares of companies that have disclosed non-financial information in their financial statements or annual reports are calculated over the reporting period. Corporations are divided by size into two groups: large and small and medium. The evolution of the proportions is shown in Figure 2 and is described by the regression linear

function. The regression lines show a positive slope in both size categories. Large corporations publish non-financial information much more willingly than medium or small ones. The large slope of the regression line confirms the growing interest of small and medium-sized corporations to publish soft, qualitative information in annual reports, and to follow such large corporations.

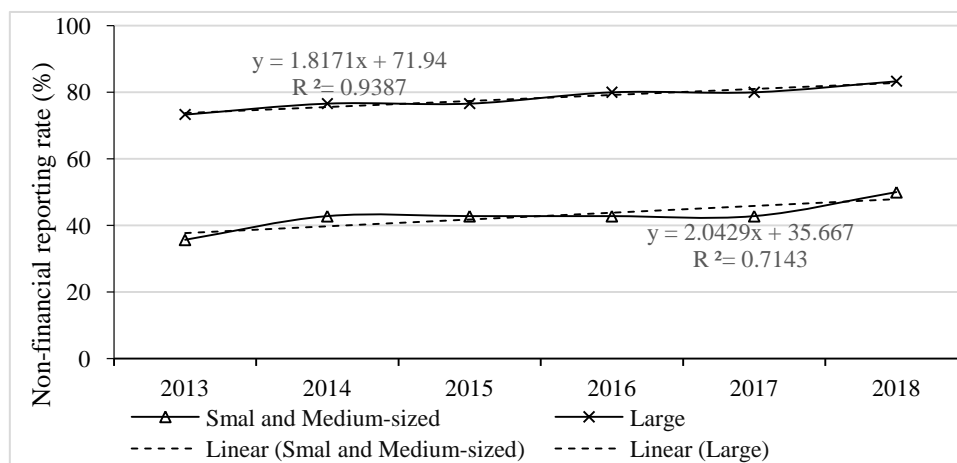


Figure 2. The share of SMEs and large corporations reporting non-financial information (in %). Source: Authors' calculation based on corporate data in a research sample.

In order to verify whether the frequencies of corporations reporting non-financial information are randomly distributed between the two size categories, or there is an incentive to find the approach, we will use the independence test. From the research question, the following hypotheses can be expressed:

H0: The publication of non-financial information is independent of the size of corporations.

H1: There is a dependency between the willingness to disclose non-financial information and the size of corporations.

We calculate the test statistics by the equation

$$X^2 = \sum_{i=1}^r \sum_{j=1}^c \frac{(n_{ij} - e_{ij})^2}{e_{ij}} \quad (1)$$

where:

X^2 —test statistics (criterion)

n_{ij} —observed frequencies of combinations of individual variables

e_{ij} —expected frequencies of combinations of individual variables

The null hypothesis about the independence of both variables is rejected at the significance level α when the test statistic value X^2 exceeds the respective 100 $(1 - \alpha)\%$ quantile distribution χ^2 , i.e. when the equation holds

$$X^2 \geq \chi_{(r-1)(c-1)}^2 (1 - \alpha) \quad (2)$$

where:

χ^2 —critical value of Chi-Square distribution

α —level of importance

r, c —number of observations of individual variables

The critical value of the respective quantile of the Chi-Square distribution is 16.919 for the selected significance level $\alpha = 0.05$. We compare the calculated values of the test statistic with the critical value in the monitored time interval, and if it is complied with the inequality (2), we reject the null hypothesis about the independence of variables. To verify the opinion, we calculate the p-value, which is defined as the probability that, under the null hypothesis, the test statistic takes on the existing value, or even more extreme (less favorable to the H1 hypothesis). The calculated values for the distribution of Chi-Square in the years of the reference period 2013–2018 are shown in Table 2.

Table 2. Test of independence Chi-Square (quantitative aspect).

Year	degree of freedom	<i>p</i> -critical	<i>p</i> -statistic	<i>p</i> -value
2013–2018	9	16.919	26.828	0.0014

Source: Own elaboration.

The test results confirm with high probability (with 95% confidence) the existence of a significant dependence of the disclosure rate of non-financial information, on the size of business corporations. The calculated p-value is less than the selected value in all years α and thus the validity of the hypothesis H1 is confirmed at the level of 0.05. From the *p*-statistics and *p*-critical comparisons we get the same result. This confirms the fact that small and medium corporations follow large ones (see Figure 2), more willing to disclose non-financial information as they realize that users are thus being given a more favorable view of corporate behavior and stability, not only their success, but also usefulness, which in turn leads to an increase in corporate performance (Myšková and Hájek, 2019). We thus answer the question of how Czech corporations comply with the principles of the new European legislation on non-financial reporting and the amendments to the Accounting Act. Mandatory reporting affects a relatively small number of corporations, but corporations of great importance. Their position on the labor market, their impact on the environment and their economic impact are considerable. Therefore, it makes sense to inform the public about their mission and purpose, which motivates employees to work and at the same time brings benefits to their surroundings or society as such.

On the other hand, empirical data confirmed the persisting reluctance of commercial corporations traded on the Czech capital market to publish financial statements in the Commercial Register's documents at all, regardless of their size. In particular, concerns about the possible misuse of publicly available data on the financial position and performance of the corporation by competitors and the non-existent enforceability of the law enshrined in Czech legislation can be cited as the cause. Non-compliance and non-enforcement of legal obligations leads, on the one hand, to a non-transparent business environment that creates room for corruption and, on the other hand, makes it difficult for business partners to review business partners. These are sanctions imposed by the Accounting Act which are not applied or enforced by the relevant registration courts or tax authorities.

3.2. The trend of publishing non-financial information by corporations in terms of quality

The quality of reported information is assessed at four levels according to the scale described in the research methodology. These are hierarchically organized levels of quality from worst to best

perceived by users of reports, annual reports, or separate reports reported by corporations contained in a research sample. The data's basic descriptive statistics are listed in Table 3.

Table 3. Descriptive statistics for the qualitative level of non-financial information.

Variable	Number	Average	Median	St. deviation	Minimum	Maximum
Environ. and legal	72	24.0	21	7.00	19	32
ESG	60	20.0	22	5.29	14	24
GRI	56	18.6	19	5.51	13	24

Source: Own elaboration.

Again, we formulate two hypotheses:

H3: The quality of reporting non-financial information is independent of the annual (accounting) period for which the information is communicated.

H4: The quality of reporting non-financial information varies depending on the reporting period.

Again, Chi-Square's statistical independence test is used to test the hypotheses. The critical value of the distribution of Chi-Square is determined for df by the number of degrees of freedom according to the formula:

$$df = (r - 1)(c - 1) = (3 - 1)(3 - 1) = 4 \quad (3)$$

The given number of freedom corresponds to the critical value which is the quantum of Chi-Square distribution on the significance level $\alpha = 0.05$:

$$\chi^2(4)(0,95) = 9.791 \quad (4)$$

Again, the critical value of the distribution p -critical is compared with the calculated values of the test criterion p -statistics and according to the Equation (2) we confirm or reject the validity of the random variable independence. To verify the accepted alternatives, we calculate the p -value probability values, which means that, in the validity of the null hypothesis, the test statistic acquires an existing or even less favorable value in relation to the H_2 hypothesis. The calculated values of the distribution of Chi-Square in the individual years of the reference period 2013–2018 are summarized in Table 4.

Table 4. Test of independence Chi-Square (qualitative aspect).

Year	degree of freedom	p -critical	p -statistic	p -value
2013–2018	4	9.488	9.791	0.044

Source: Own elaboration.

The test results confirm with 95% probability a significant dependence of the quality of published information in terms of non-financial indicators for the period for which they are published. The calculated p -value is less than the selected value in all monitored years α and thus the validity of the hypothesis H4 is confirmed at the significance level of 0.05. From a comparison of p -statistics and p -critical we receive the same result. This confirms the fact that small and medium-sized corporations are following large ones that are not only more readily willing to meet the regulatory requirements of users, but also improve their quality. Research has confirmed the positive evolution of information content as well as its form, from purely economic, in the form of statements of

financial and corporate performance to annual or separate reports that also include environmental information, or corporate responsibility information, or up to GRIs that are considered top quality and most popular by users. It is clear that this positive trend in improving the quality and information efficiency of companies traded on public capital markets in the Czech region is also supported by the legislation and guidelines issued that govern the conduct and responsibility of business corporations with regard to their surroundings. Despite the influence of the European Parliament and Council Directive 2014/95/EU on Czech regulations implemented in the Czech legislation with effect from January 1, 2017, i.e. in the penultimate year of our research, we have not registered any difference from the previous years. We are very likely to expect, in the light of current developments, a positive impact of the amendment to the Accounting Act in the coming years.

4. Conclusion

In this paper, we examined the issue of disclosure of non-financial information by business corporations, both in terms of quantity and quality. Data for empirical research was obtained on a sample that included all trading corporations traded on public capital markets in the Czech region in the period from 2013 to 2018. The research methodology included the collection of relevant data, content analysis and a comparison of financial statements, annual reports, specialized non-financial reports on the level of: (i) environmental and labor law aspects of business, (ii) ESG or (iii) GRI. The research results were evaluated on two levels.

Hypothesis testing at the level of information resulted in the rejection of the null hypothesis about the independence of reporting non-financial information on corporation size and a significant dependence with 95% probability was confirmed. The regression analysis confirmed the positive development trend of non-financial reporting of corporations traded on Czech capital markets in the period under review. Although this trend reflects global developments, it is clear from the comparison of the curves in the graph in Figures 1 and 2 that it is still below its level. An indisputable advantage of the amendment to the Act is the unification of corporate reports in terms of the content of non-financial information, their structure and the form of publication. We found clear results when testing hypotheses in the quality level of non-financial information. The dependence of the quality of reports on the period for which they were compiled has been unequivocally demonstrated over the entire time interval. The difference in the report content defined by the scale at four levels has changed over time and the content has shifted from only financial reports to reports compiled according to the GRI guidelines and framework. This positive trend in improving the quality of business corporations' reports on the Czech capital market has led to the convergence of Western European countries and an increase in transparency, competitiveness, stability and usefulness as well as the utility of business corporations in the Czech region. Empirical data demonstrated an increasing quality of non-financial information, but published studies provide different results in terms of the impact of reporting quality on the economic situation of corporations. This opens up space for further research focused not only on the correlation between the quality of reporting and the economy of corporations, but also between the quality of reporting and the decision-making of stakeholders.

In particular, the fact that some corporations are not interested in disclosing financial statements and publishing them, regardless of regulatory requirements and user needs, seems problematic. We

can only expect the amended regulations, and in particular the application of sanctions, to bring about improvements in the near future.

Overall, the study brought new scientific knowledge in the process of non-financial reporting in terms of quantity, quality and shortcomings of reports, which is the starting point and inspiration for other scientific projects aimed at higher benefit and usefulness of non-financial reports.

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Conflict of interest

All authors declare no conflicts of interest in this paper.

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