Practical Implementation of Sustainability Accounting: A Research of Two Major Public Listed Companies

Wanjiru Gachie[1]

Abstract: This research examines extent to which social and environmental pillars are integrated into existing economic pillar towards modernization of mainstream financial accounting in line with 21st-century diverse stakeholders' sustainability needs. The identified research gap observes that 19th-century accounting no longer reflects an all-encompassing stakeholders' interest. Hence in this 2020 decade transforming the basis of accounting and reporting is a fundamental concern. This research thus provides an opportunity rarely considered for an all-inclusive sustainability accounting seeking to evoke a shift in accounting fundamentals, standards and frameworks for stakeholders' holistic decision-making on enterprises going concern. The methodological approach adopted is an in-depth examination of two selected public listed companies' to provide insights on integration of social and environmental pillars into financial statements. Both literature and this research's findings reveal a low degree of commitment towards social and environmental sustainability in favour of economic activities mandated for public listed companies. The findings validates formerly, now updated New Framework for seamless standardized assimilation of all three pillars in financial accounting. The practical implications contained in this research recommends a more-inclusive Framework for transitioning into 21st-century sustainability accounting. The practical value of this research contributes in transformation of accounting fundamentals to reflect updated stakeholders 'motivation.

Keywords: Triple Bottom Line; Accounting Standards; Environmental Accounting; Governance; South Africa

JEL Classification: G30; M40; M41

1. Introduction

The objective of this research is to make a contribution in the process of overhauling the current one dimensional mainstream financial accounting framework that is based on its 19th century origins to cater for the needs of the 21st century stakeholders. Therefore this article presents the concept of sustainability accounting as a plausible and promising response for leveraging a transdisciplinary accounting approach to include socio and environmental pillars (Marion 2021). Thus examination of authentic disclosure of three pillars of sustainability within two major retail clothing companies' financial statements in South Africa is undertaken.

This research provides an opportunity for revision of international financial accounting fundamentals, principles, standards, procedures, policies and protocols to ones that would enable diverse

[1] PhD, University of KwaZulu-Natal, South Africa, Address: Private Bag X03, Ashwood, 3605, South Africa, Tel.: +27 (0)31 260 2348, Fax: +27 (0)31 2603697, Corresponding author: gachiee@ukzn.ac.za.

stakeholders to make decisions relating to enterprises abilities to increase value not only economically, but also socially and environmentally. The current basis of financial accounting is devoid of sustainability accounting in line with the current and future century needs (Benn, Dunphy, & Griffiths, 2006; Trautwein 2021). Therefore this research seeks to provide an alternative approach for the inclusion and furthering social and environmental sustainability pillars within the body of financial accounting (Moratis & Melissen, 2019).

Sustainability from this research perspective is a philosophy that rests on the principles of the Triple Bottom Line (TBL) reporting namely the People, Profit and Planet (3Ps) (Elkington, 1998). Therefore, a solution for effecting a transformation to include social and environmental sustainability pillars into main stream accounting as enshrined by the TBL is already long overdue. The observation is that a stool of three legs will not stand if some legs are shorter. Inclusion of all the three pillars is crucial as Environmental, Social and Governance (ESG) metrics provide foundation for sustainability performance (Widyawati, 2020). This observation was made in earlier research conducted by Gachie, (2019), which proposed a New Framework validated in this current research.

Sustainability concept is related to Social pillar also known as Corporate Social Reporting (CSR) and to Environmental pillar also known as Corporate Environmental Reporting (CER). These two pillars form a unified umbrella known as Corporate Social and Environmental Reporting (CSER) (Willard, 2002), as discussed in this research. Furthermore, Willard (2002) identifies compelling benefits for implementing TBL which includes (i) ease in hiring; employee productivity; (ii) reduced costs; and (iii) customers retention (Willard, 2002).

This article is comprised of the following seven sections: the first section provides the introduction and the problem statement. The second section is the literature review that examines the key concepts and provides theoretical framework that guides this research. The third section is the research methodology, while the fourth section presents results and analysis. Section five presents research interpretation and discussion. Section six and seven provides the conclusion and actionable recommendations respectively intended to improve sustainability reporting.

Running enterprises sustainably has gained paramountcy during the last two decades because unsustainable corporate governance practices by companies such as Enron and Steinhoff have led to catastrophic rippling effects on the public at large (Rossouw & Styan, 2019; Matthew, 2020; Sahabbudin & Hadianto, 2020). Even though some companies are not mandated to disclose their social and environmental sustainability initiatives, the South African King Reports make it necessary for all Johannesburg Stock Exchange (JSE) listed companies to voluntarily disclose the extent to which they adhere to these two pillars in their annual financial statements (King IV, 2016). Hence this research is compelled to address the gap on the extent to which JSE listed companies disclose their environmental and social performance, not enforced by the Companies Act (Collier & Roberts, 2001; Panda, D'Souza, & Blankson, 2018). A contribution towards effecting changes on the current skeletal disclosure on the two pillars will thus be made.

To provide an in-depth and meaningful research, an examination of environmental and social pillars of two major retail clothing JSE listed companies is conducted. Non-Financial Reporting Directive (NFRD) aims to enhance adequate non-financial information (NFI) disclosure and improve accountability for stakeholders (Fiandrino and Tonelli 2021).

The first among the sustainability pillars is the economic pillar also referred to as "financial sustainability" (Azarenkova, Golovko, & Abrosimova, 2018), is vital for optimum functioning of enterprises. Economic pillar carries a definite impact on both a country's gross domestic product (GDP) and sustainable development (King IV, 2016). However, in pursuit of economic performance, social and environmental pillars have over the years continued to suffer neglect in financial accounting. As Collier & Roberts (2001:70) states, "the only ethical imperative at work here is a Friedmanesque dictum to pursue profit maximization."

The second is the social pillar or CSR, which entails issues such as employment, health and overall wellbeing of citizens. Social pillar should not be undervalued because diverse stakeholders carry both positive and negative impacts on businesses and on the nation's well-being (Hinke, et al., 2020; Marion 2021). Social pillar is the archetype of Social Responsible Investment (SRI) which should not be undervalued because diverse stakeholders carry both positive and negative impact on businesses and on the nation's well-being (Hinke, et al., 2020; Matthew, 2020; Marion 2021).

Contribution to the third, namely the environmental pillar cannot be undervalued due to the impact of human practices such as climate change, deforestation, wildlife displacement and endangerment, pollution and waste (Fiandrino and Tonelli 2021; Trautwein 2021). Disasters such as Bhopal of 1984 and Exxon Valdez of 1989 have given a rise to lobby groups calling for mandated environmental and social disclosure (Global Reporting Initiative, 2019). In this essence, businesses that extract and exploit resources wastefully and deplete unrenewable resources will no longer create products and services profitably. Therefore, this research examines companies' environmental activities and disclosure. Companies will assume social and environmental responsibility if it is profitable and not otherwise (Gachie, 2009; (Medina-Muñoz & Medina-Muñoz, 2020; Trautwein 2021). This research is of the view that enterprises that act both socially and environmentally responsible are more likely to improve their financial performance in the long-run (Gachie, 2015; De los Reyes Jr. & Scholzb, 2019; Moratis & Melissen, 2019).

Corporate Governance is also considered, as being a fundamental concept that threads among others, the three pillars of sustainability in name of "sustainable corporate governance" (Bjornsen & Fornaro 2019; Gachie, 2019).

At this stage a review of literature reveals a significant and persistent disconnection between the three pillars, which this research seeks to contribute to their coherence.

Based on the identified research gap, this research examines the practical implementation of three sustainability pillars within two selected major clothing companies in South Africa. Based on this objective, the following research questions will be addressed;

1. To what extent do the two companies disclose their sustainability practices?
2. To what extent do the two companies comply with the King IV Report?
3. What generalizations and recommendations can be inferred for enhancing sustainability within the business sector?

2. Literature Review

Sustainability is a triangular concept that encompasses the 3Ps or TBL philosophy (Elkington, 1998). "Sustainability" and "sustainable development" though closely related terms are not synonymous. Sustainability has a ripple effect on sustainable development of a nation. The World Commission on Environment and Development (WCEDC, 1987) views sustainability as 'ensuring enterprise interests while enhancing current and future stakeholders' concerns'. The GRI produces sustainability reporting guidelines for enterprise sustainability practices and disclosures (Global Reporting Initiative, 2019).

Sustainability performance indicators as applied in this research are based on investigating both the negative and positive impacts of companies' economic activities on the environment and social pillars (Medina-Muñoz & Medina-Muñoz, 2020; Yin 2021). Researchers have empirically proved that companies' ESG indicators impacts on economic performance (Widyawati, 2020; Yin 2021).

Corporate governance which threads the three pillars is "the exercise of ethical and effective leadership…for effective control and legitimacy" (Solomon, 2013). A well-functioning governance system creates opportunities for competitive advantage while minimizing agency costs (Solomon, 2013; Bjornsen and Fornaro 2019; Sahabbudin & Hadianto, 2020). In South Africa, the King reports provide corporate governance and sustainability guidelines based on the 'Apply or Explain' principles thus do not have to comply leading to sustainability being side-lined by companies (King IV, 2016). From this research perspective, sustainable corporate governance mechanisms should be well-planned to guarantee the needs of diverse stakeholders (Amorelli & García-Sánchez, 2020).

This research furthermore proposes proactive management of ethics, value and risk, which are integral components of business sustainability in seeking a return on investment (ROI). For instance, Freeman & Greenwood, (2020) observes that 'Business ethics is about fewer rules, more thought' in enterprise performance.

Among the three sustainability pillars, the economic pillar has over the years been prioritized by companies at the expense of the other two pillars (Solomon 2013; Gachie, 2019). Hence another significant motive for undertaking this research. Understandably the business purpose is to make a profit (Silvius, 2014). This purpose is to increase financial benefit for shareholders whilst minimizing cost (Stoner & Wankel, 2010; Freeman & Greenwood, 2020). Therefore, the tendency is toward ineffective utilization of environmental and social resources (Gachie, 2009; Silvius, 2014).

Economic pillar is a sub-set of social pillar, which in itself is a sub-set of the environmental pillar as shown in Figure 1 adapted from Lal & Keen 2002).

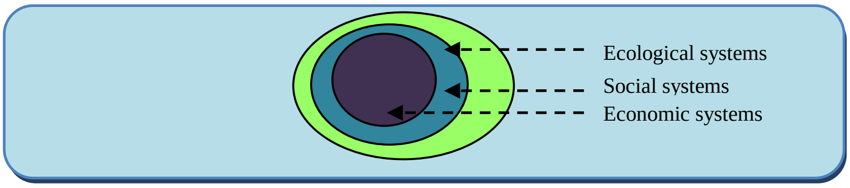

Figure 1. Ecological, Social and Economic Subsystems
Source: Adapted from Lal and Keen 2002:70

As demonstrated in Figure 1, in the long-run the economic pillar cannot be sustainable without consideration of social and ecological pillars. Though "financial sustainability assessment" be crucial for a company's going concern, utilization of environmental and social resources will have a ripple effect on economic sustainability (Gachie, 2009; Silvius, 2014).

The social pillar includes internal and external stakeholders such as employees, trade unions, customers and suppliers all of which are valuable corporate assets (Gachie, 2015; Widyawati, 2020; Yin 2021). Research shows that a company's acting in a socially responsible manner is more likely to improve its financial performance and attract investors (De los Reyes Jr. & Scholzb, 2019; Moratis & Melissen, 2019). With regard to the social pillar, Carroll, (2004) offers a framework for enterprise accountability encompassing four dimensions namely, economic, legal, ethical and philanthropic as shown in (Figure 2).

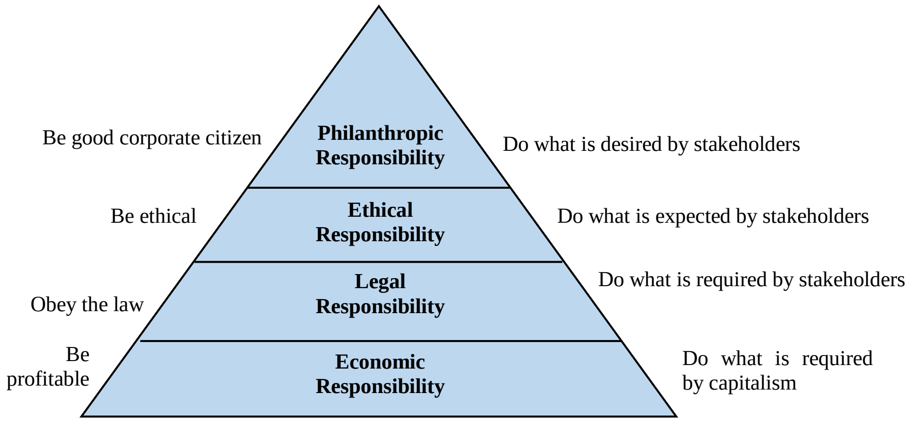

Figure 2. Corporate Social Responsibility Pyramid
Source: Adopted from Carroll 2004; 116

This CSR framework (Figure 2) calls for companies to generate income while practicing good corporate citizenship (Carroll, 2004). The CSR seeks the disclosure of social issues such as the employment of minority and previously disadvantaged groups (Amorelli, et al., 2020). Hence, the CSR framework provides an opportunity to reduce dichotomy and improves equitable distribution of position, power and resources for sustainable profitability.

The environmental pillar seeks to distinguish a company's environmental conduct separately from its financial statement. The pure pursuit of economic goals has been responsible for the degradation of the environment globally (Elkington, 1998; Ullah, Lai, & Marjoribanks, 2013). Environmental reporting indicators include; procurement, water, energy, waste efficiency, travel, project reporting, pollution control, reuse and recycling, efficient use of materials, safe use of hazardous material and environmental education (Solomon, 2013; Ullah, et al, 2013 KPMG, 2019). A review of literature acknowledges existence of various factors that discourage environmental disclosure. Factors identified include fear of exposure to competitors, absent legal requirements and the costs outweigh the benefits of environmental responsibility (KPMG, 2019). As such the New Framework created by the researcher seeks to motivate enterprise environmental disclosure for sustainable development.

This article rests upon stakeholder, agency and stewardship theories for examining the three sustainability pillars. The stakeholder theory perceives enterprises as having mutual agreement with their numerous stakeholders for interests they are persuaded to partake (Solomon, 2013). Freeman (1984) proposed the normative stakeholder theory later enriched by Friedman & Miles (2006) that seeks to strengthen a company's accountability to diverse stakeholders distinguished along the strategic and the normative dimensions illustrated in Figure 1 (Friedman & Miles, 2006). This research, defines a stakeholder as 'any naturally occurring entity that affects or is affected by an enterprise performance 1 (Friedman & Miles, 2006).

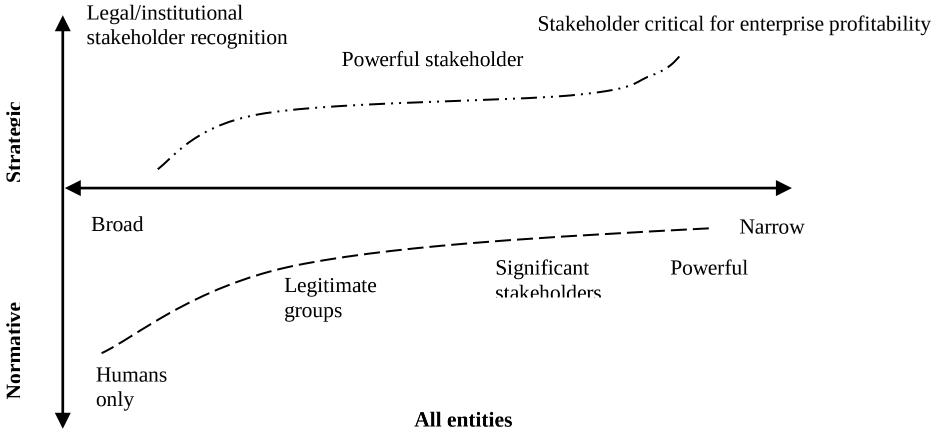

Figure 1. Representation of Stakeholder Dimensions
Source: Adopted from Friedman, & Miles, 2006; Gachie, 2019

Figure 1 confirms the varying degree of stakeholders and their impact on an enterprise. The challenge is that of balancing their needs through stakeholder engagement which includes but is not limited to surveys, interviews and public meetings on corporate sustainability (Solomon, 2013).

The agency theory rests upon existence of a relationship between an agent and the principal. The principal entrusts certain tasks and rights to the agent on a fiduciary level (Eisenhardt, 1989). The theory demands the (directors) agent acts and steers the corporation for the "best interest" of the investor or stakeholders (principal) (Eisenhardt, 1989; Solomon, 2013; Panda, et al., 2018). Agency theory is further enhanced by the form of ownership of listed companies as seldom are the shareholders also act as the directors whereas in private companies and close corporations principals also being agents is common practice.

Critics of the agency theory have over time proposed the stewardship stance. The critics observe the human nature as being intrinsically motivated to best serve the organization. The company directors are seen as being rational stewards rather than egoistic, individualistic and self-serving (Solomon, 2013). Stewards will thus faithfully seek to attain corporate objectives (sales, growth and profitability) for investors' value (Solomon, 2013; King IV, 2016).

Research metrics identified by Benn, Dunphy, & Griffiths, (2006) (Table 1), will be considered in refinement of the New Framework developed for this research.

Table 3. Sustainability Phase Framework

Human Sustainability	Ecological Sustainability
Phase 1: Rejection	
Employees regarded as a disposable resource to be exploited. No take responsibility for safety and future career prospects.	Environment regarded as a free good to be exploited. The organization does not modify its operations to lessen future economic degradation.
Phase 2: Non-Responsiveness	
Labour is viewed as a cost to be minimized. Human resource strategy and policy are ignored.	Environment not considered relevant for strategic decisions. Risks, costs, opportunities considered irrelevant.
Phase 3: Compliance	
Organization pursues benevolent paternalism with expectation of	Senior management seeks to comply with environmental laws to minimize potential

employee loyalty as risk reduction.	liabilities and litigation.
Phase 4: Efficiency	
Company establishes coherent HR system to reduce costs and increase efficiency.	Ecological issues generate costs aimed at reducing costs and increasing efficiencies.
Phase 5: Strategic Productivity	
Workforce skills and diversity are seen as important aspects of corporate and business strategies.	Proactive strategies supporting ecological sustainability are source of opportunities and competitive advantage.
Phase 6: The sustaining corporation	
Organization accepts responsibility for upgrading human knowledge and skills.	Organization actively promotes ecological sustainability values and seeks to influence key participants.

Source: Modified from Benn, et al., 2006

Table 1 reflects the paradigm shift taking place globally towards mandating disclosure of social and environmental metrics in line with the new way of thinking about and conducting business in 21st century financial accounting. The Sustainability Phase Framework is also a step towards measuring sustainability quantitatively and not just qualitatively.

This article seeks to refine the New Proposed Framework developed in a previous project sustainability research in Gachie (2019) based on several metrics collated under each pillar for identifying, assessing and contributing to all levels of an enterprise's sustainability (Figure 2). This New Framework was necessitated by the tendency of most accounting models to lean on the economic pillar with few if any assigning metrics on social and environmental pillars. Therefore, this Framework crucially assigns each pillar an equal importance for comparable assessment of enterprise sustainability performance nationally and globally.

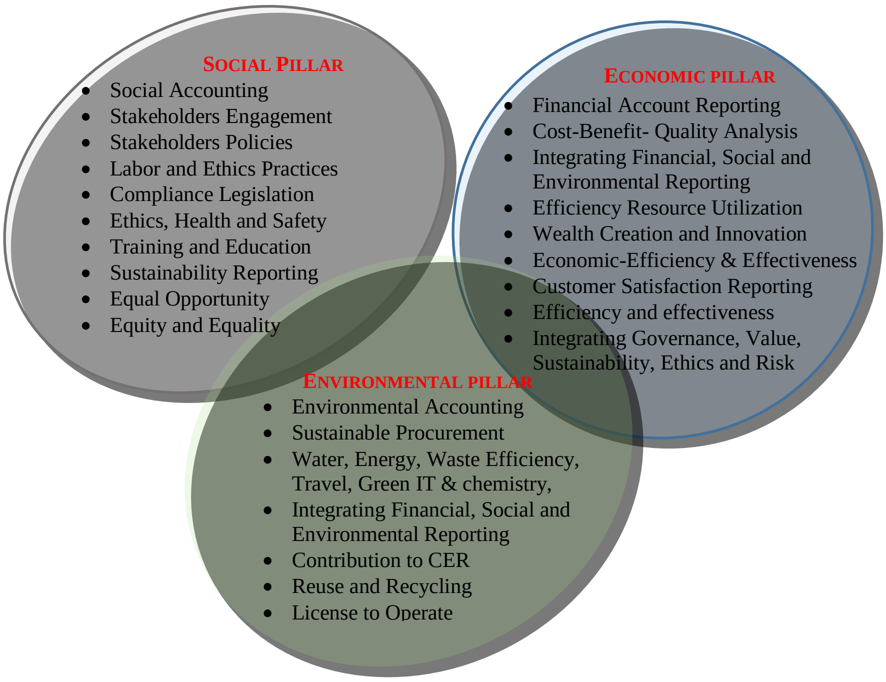

Figure 2. Three Pillars of Sustainability Framework

Prepared by the researcher based on literature review metrics

Furthermore, the New Framework (Figure 2) identifies crucial metrics for transformation of financial accounting so as to include social and environmental metrics that meet the needs of the vested 21st century stakeholder.

3. Methodology

A case-study of two JSE listed companies (Company A and Company B) using publicly available comparative financial statement data for the years 2018, 2017 and 2016 is utilized to compare their three pillars of sustainability. Other relevant supplementary publicly available data are analysed qualitatively and quantitatively for in-depth comprehension of the companies' sustainability practices. The research adhered to University of KwaZulu-Natal ethical codes. The research is undertaken at an arm's length to minimize biases that could distort research outcome.

4. Result and Analysis

The results shows Company A is a going concern in terms of economic pillar attributed to having over 80% of its sales in cash during the 3 years (Table 2).

Table 4. Economic performance Company A the last 3 years

Indicators	**Economic Performance**		
Financial performance	**2018**	**2017**	**2016**
Profitability			
Comparable sales growth %	5,6	(3,6)	6,3
Gross margin (%)	43,3	38,8	40,6
Return on capital employed (%)	57,0	49,3	67,6
Liquidity ratios			
Current ratio	3,1	3,4	2,6
Solvency ratios			
Debt to Equity ratio	0,4	0,3	0,4
Share performance in cents			
Earnings per share in cents	1 100,1	911,4	1 057,8
Earnings Yield	3,9	5,7	6
Dividends per share in cents	693,1	667,0	667,0
Dividends Yield	2,4	4,2	3,8
Efficiency Ratios			
Asset Turnover Ratio	2,1	2,2	2,5

Source: Prepared from data used in this research analysis

Table 2 further provides an assessment of profitability, solvency, liquidity, share performance of Company A, which demonstrates efficient utilization of beneficiaries' investment by the agent.

Company A has experienced sales growth in 2018 recovering from a sales slump in 2017 despite the markets of operations being weak and volatile (Table 2).

Company B is still a going concern though profitability has slumped, negatively affecting share performance and is facing ongoing solvency and liquidity problems (Table 3). The poor performance can be linked to the lenient credit sales policy with an increasing Debt to Equity ratio which stands at 2,05 in 2018.

Table 5. Economic performance Company B the last 3 years

Indicators	Economic Performance		
	2018	**2017**	**2016**
Financial performance			
Comparable sales growth %	2,1	3,7	15,0
Gross profit margin from retail sales (%)	39,2	40,9	40,6
Return on capital employed (%)	13,7	15,1	16,8
Liquidity ratios			
Current ratio	1,22	1,12	1,04
Solvency ratios			
Debt to Equity ratio	2,05	1,36	1,54
Share performance in cents			
Earnings per share	(369,5)	454,2	337,3
Dividends per share	130,5	180	180
Efficiency ratios			
Asset Turnover Ratio	1,7	1,49	1,29

Source: Prepared from data used in this research analysis

Company B's earnings per share was negative in 2018. Company B was unable to maintain the two yearlong dividends per share of 180 cents and 130.5 cents in 2017 and 2016 respectively (Table 3).

Table 4 depicts Company A's CSR sustainability performance during the last 3 years.

Table 6. Social Performance Company A the last 3 years

Indicators	Social Performance		
	2017	**2018**	**2019**
Labour Performance			
Investment in learning and development	R36 654 735	R37 288 003	R34 783 011
Total annual number of hours allocated to learning	218 388	200 623	232 437
Average learning and development days per person	1,4	1,4	1,8
BBBEE Level contributor status	8	8	7
Social Performance			
Group donation to MRP Foundation	R28 177 838	R22 259 933	R27 560 965
Number of learners benefitted from school programmes	50 409	36 395	65 236

Source: Prepared from data used in this research analysis

Company A has high labour sustainability performance, consistent contributions towards BBBEE transformation investment rating shifting from 8 in 2018 to better 7 in 2019 (Table 4). The high investment in learning and development contributes towards developing employees' skills and social sustainability. Strong governance, financial controls, monitoring and evaluation ensures visibility of programme deliverables.

Company B social sustainability pillar performance during the last 3 years indicates a stable social performance (Table 5). The enterprise complies with BEE and BBBEE holding on to a level 6 consistently.

Table 7. Social Sustainability Pillar Company B the Last 3 Years

Indicators	Labour Performance		
	2018	**2017**	**2016**
Labour performance			
Investment in learning and development	R113,7 million	R116 million	R101 million
BBBEE Level contributor status	6	6	6
% positive response to WSA employee engagement survey	74%		
Social performance			
Social contribution across the Group geographies	R817 million	R757 million	R693 million
Tax payments which invest in county of operation – Sub-Saharan Africa	R876 million	R745 million	
Tax payments – Australia and New Zealand	A$13 million	A$93 million	
Capital investments – Sub-Saharan Africa	R1,1 billion	R1,2 billion	
Capital investments – Australia and New Zealand	A$150 million	A$132 million	

Source: Prepared from data used in this research analysis

The results indicate a steady social sustainability performance of Company B contribution to the countries it operates which is better than that of Company A.

Table 6 depicts Company A's environmental sustainability efforts in the last 3 years, illustrating a steady CER plan.

Table 8. Environmental Performance Company A the last 3 years

Indicators	Environmental Performance		
	2018	**2017**	**2016**
Carbon Footprint (Tones of CO_2)	121 016	121 999	127 304
Electricity consumed (Million Kwh in South Africa)	118,7	116,6	122,2

Source: Prepared from data used in this research analysis

Table 6 reveals Company A is concerned with environmental sustainability through decreased electricity consumption and a lower carbon footprint. In response to this global issue Company A has reduced its relative carbon footprint by a notable 983 tons from 121 999 tons of CO_2 in 2017 to 121 016 tons of CO_2 in 2018.

Table 7 depicts Company B's environmental performance in the last 3 years as far as CER is concerned. A further environmental performance has then been provided in the discussion.

Table 9. Environmental performance Company B the last 3 years

Indicators	Environmental Performance		
	2018	2017	2016
Better Cotton Initiative (BCI), % of cotton products supporting sustainable farming practices	66%	64%	31%

Source: Prepared from data used in this research analysis

Table 7 indicates advancement in CER performance in Company B through resource efficiency and utilization of local produce and products sourced from sustainable sources.

In general, though Company A has implemented various CER initiatives, while Company B has taken a further step to source raw materials from sustainable sources. Therefore Company A has room for improvement in sourcing raw materials from sustainable sources.

Table 8 is an overview of Company A's Corporate Governance, that shows 72% increase in CEO's salary despite facing turbulent times. The funds should have been utilized to meet shareholder's performance expectations as the South African market has been weak and volatile.

Table 10. Overview Company Corporate Governance

Category	No of shareholders	%	Number of shares	%
Pension funds	333	1,52	67 352 924	26,23
Unit Trusts/ Mutual Funds	510	2,32	90 672 812	35,31
Nominee companies and corporate bodies	20 834	94,81	76 834 930	29,92
Individuals and trusts	289	1,31	15 975 945	6,22
Staff share schemes	9	0,04	5 959 116	2,32
Total	**21 975**	**100**	**256 795 727**	**100**

Source: Prepared from data used in this research analysis

Company A's board comprises of a balanced mix of executives and of the non-executives independent board and an uniform mix of both gender and race among with various qualifications of skills and diversity. The board's adheres to South African King IV governance and sustainability principles.

Company B's Board maintains a mix of skills and diversity of demographics in directors and has set targets for race and diversity at 40% in 2019 having achieved a composition of 33% in 2018. The Board has satisfactorily made effort to "apply or explain" all material aspects of King IV where appropriate and relevant.

Company B's financial statements indicate that the directors actively practice ethical leadership and act with integrity, competence, responsibility, accountability, fairness and transparency. Hence all key contributors to achieving a tangible ethical culture within the company have been considered. Similarly, Company A continues to develop its governance policies, practices and procedures in line with an integrated governance, business ethics and risk and compliance framework.

The following four levels of sustainability (Figure 5) have been identified to determine the extent to which all three sustainability pillars are incorporated in the final New proposed Framework towards implementing the TBL philosophy.

- *First level-compliant*, identifies areas of superficial compliance with sustainability principles.

- *Second level-reactive*, displays areas where sustainability pillars principles are applied for explicit purpose of only reducing the negative impacts on an enterprises profitability.

- *Third level-proactive*, reveals areas where sustainability pillars principles are integrated more unambiguously for diverse stakeholder benefit.

- *Fourth and final level-strategic*, illustrates areas where enterprises fully embraces and integrate the three pillars of sustainability.

Three Sustainability Pillars Analysis

Advancement Levels	Economic	Social	Environmental
LEVEL 1 Compliance	• Financial Prospects • Project Reporting	• Ethics, Health & Safety • Labour Practices	• Procurement • Project Reporting
LEVEL 2 Ad hock	• Resource Consumption • Cost-Benefit	• Reporting of Project • Equal Opportunity	• Respect for Nature • Pollution Control
LEVEL 3 Proactive	• Processes, Policies • Supply Chain, Assets	• Equity and Equality • Wellbeing/Accessibility	• Reuse and Recycling • Water, Energy, Waste
LEVEL 4 Strategic	• Deadlines and Risk • Wealth Creation	• Education • Inclusivity	• Travel Efficiency • Efficient Materials use

Figure 3. Identified Sustainability Advancement Levels

Prepared by the researcher based on literature review metrics

Application of the four levels (Figure 5), in the two participating companies' displays an ad-hock application of majority of the metrics especially those of social and environmental pillars while according higher priority on economic metrics. The final New Framework illustrated in the next Figure 6, forms part of the recommendation, which is the cumulative work of all the other preceding Tables and Figures contained in this article.

5. Discussion

The research results have shown that the three sustainability pillars have not been accorded the same priority in both companies, confirming the literature review. This could be attributed to the level of standardisation of performance measurement decreasing as one moves from economic, to social to environmental performance measurement. Economic performance is measured through key performance indicators (KPI's), social performance is measured though standards set by King IV principles while factors used to measure environmental performance are varied. This is evidenced by environmental performance by Company A was lowered electricity consumption and carbon footprint, while company B supported sustainable farming practices. The environmental practices are good practices but are not directly comparable. In all the financial statements, the economic pillar was demonstrably well addressed to a higher extent than the social and environmental pillars. Preferential treatment of economic pillar observed by both this research findings and the literature review goes against the TBL philosophy of balancing the three sustainability pillars.

Though each pillar should stand alone apart from the other, they are interrelated and should all be accorded the same treatment within the annual financial statements. According an equal priority on reporting the 3Ps, is fundamental for business sustainability and sustainable development nationally and globally.

Economic pillar metrics identified include economic efficiency, minimized costs, greater responsiveness, better risk management, improved quality, technological for increased profitability. Important social pillar metrics identified include efficient employee motivation and productivity, investment in intellectual and innovation capital, customer loyalty and communication for stakeholder positive engagement. Beneficial environmental pillar metrics identified include reduced costs of compliance, efficiency, and enhanced reputation, license to operate by lobby groups, regulators, government, product quality certification and sustainable profitability.

Practical application of the three pillars of sustainability in the two retail clothing companies still very much desirable. This is so especially with respect to social and environmental sustainability practices. In both companies, the presence of a diverse board of directors have positively influenced and played a role in the board in relation to the promotion of CSR and CER.

6. Conclusion

The two participating enterprises have provided useful publicly available annual reports with regard to the economic pillar. However, the social and environmental sustainability pillars are not clearly outlined in the annual report making it difficult for stakeholders to make informed decisions. This can be attributed to the deficiency in clear-cut social and environmental sustainability standards in International Financial Reporting Standards (IFRS), in GAAP, in GRI or in King IV Code principles. However, all is not lost as the latest 2018 reports have shown that the two enterprises are on the road to complying with the King IV Code principles of “apply or explain”. However, Company B can be said to have a good CSER profile in line with its philosophy.

The two enterprises have faced similar economic challenges because the weak and volatile South African market and political uncertainty has negatively contributed to falling consumer confidence index. However, Company A has responded better to these challenges, demonstrating an increased profitability and share performance than Company B.

7. Recommendations

This research recommends the following based on the research results and conclusion:

- *Conduct internal and external corporate assessment regularly in all three pillars of sustainability*. This should be undertaken to maximize profit while considering the needs of both the current and future generations as proposed by the WCEDC, 1987.

- *Adhere to disclosure principles in all the three sustainability pillars*. This should seek to address and cater for the needs (economic, social and environmental) of diverse stakeholders for a purpose which they are persuaded to share in line to scholars such as Elkington, 1998 and Solomon, 2013.

- *Integrate CSR in financial accounting*. This should aim at promoting diverse stakeholder engagement who have a direct and indirect stake on a company’s going concern as demonstrated in the literature review.

- *Integrate CER in financial accounting*. This should aim at fully integrating CER in the annual financial reports contributing to cleaner environment that caters for both the current and future generations.

- *Conduct an overhaul in financial accounting*. Accounting bodies should collectively formulate and equally integrate principles and standards on all the three pillars of sustainability. This should be conducted in accordance to the needs of 21st century diverse stakeholders enabling them to make pertinent decisions that increase their value not only economically, but socially and environmentally in alignment with the literature review such as Freeman & Greenwood, (2020). This will legitimize legislation of social and environmental pillars achieving a transition from existing outdated financial accounting approach into an all-inclusive accounting as observed in the literature review.

- *Adopt the final New Framework proposed in Figure 6*. This Framework will serve as a checklist for identifying, complying, embracing and integrating all the three pillars of sustainability into both the company activities and annual financial statements.

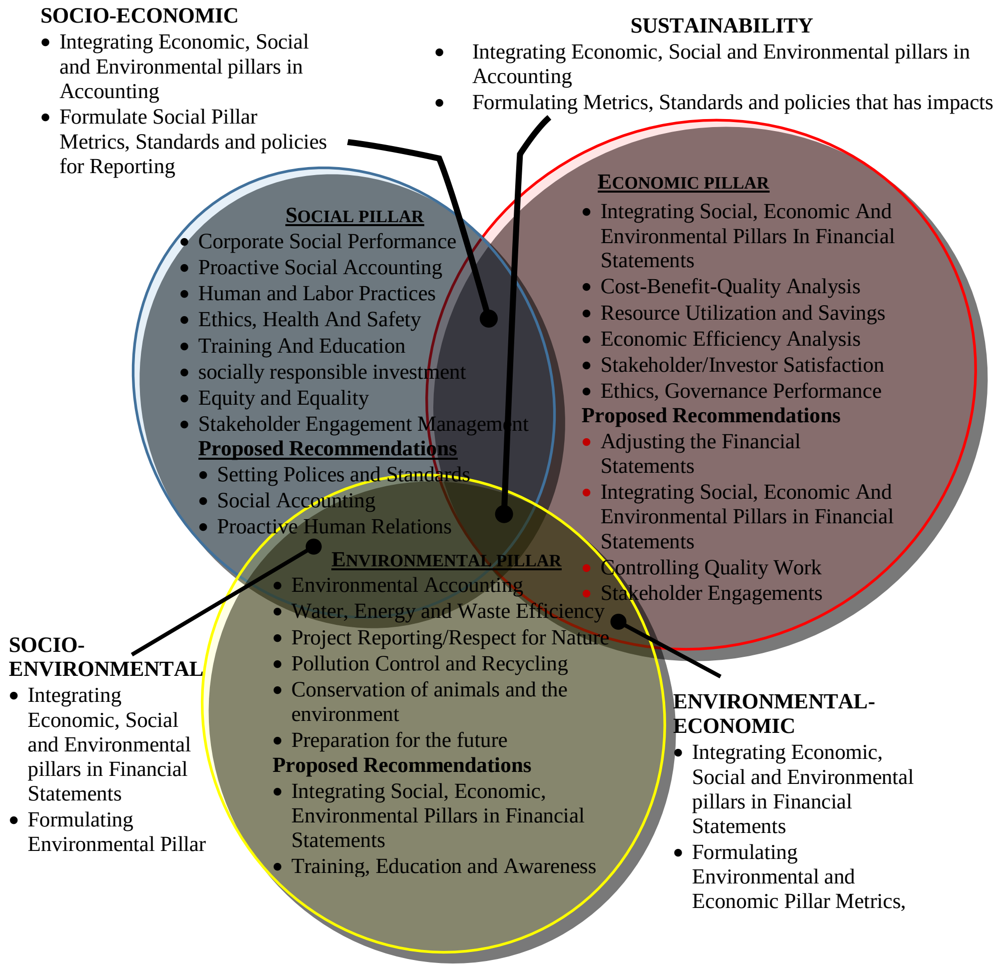

Figure 4. Final Proposed New Framework
Developed for this research using a variety of metrics

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