

# **Environmental Accounting**

***“Can sustainability accounting practices help companies to attract investment?”***

Research dissertation presented in partial fulfilment of the requirements  
for the degree of

**MSc in Accounting and Finance Management**

Griffith College Dublin

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**03/09/2021**


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I certify that the dissertation entitled: Environmental Accounting – Can sustainability accounting practices help companies to attract investment?

submitted for the degree of: **MSc in Accounting and Finance Management** is the result of my own work and that where reference is made to the work of others, due acknowledgment is given.

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## **Acknowledgements**

At first, I would like to say thank you for my mother, sisters and family that gave me all the support to complete this dissertation.

I would like to thank my supervisor Louise for providing me with a lot of great advice and input on this research; all my colleagues in Griffith College and to Griffith college for giving me the opportunity to pursue my masters;

I would like to say thank you for all the people that agreed to participate in the interviews and surveys for this research paper.

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## **Abstract**

### **Environmental Accounting**

*“Can sustainability accounting practices help companies to attract investment?”*

*Thais Andrade de Oliveira*

This study showed that sustainability accounting practices can help companies to attract investment. This study was able to demonstrate that there is a desire from investors for more transparency, sustainability (environmental, social, and economic) and ROI for their investing. Sustainability accounting was shown by this study and the associated research to demonstrate that sustainability accounting can help investors reach these desires, and as such help companies to attract these investments.

The approach to conducting this research was an interpretivist one as this approach best aligned to the identified research question. The purpose of the chosen methods of research were analytical and exploratory due to the sentiment analysis that completed with the interviewees. A qualitative approach was adopted to conducting two types of primary data collection – interviews and surveys. The interviews were conducted over video call and the surveys were distributed through contacts and accounting forums / groups.

The study identified that sustainability accounting practices are efficacious and if adopted by a company can provide to potential investors the transparency they want from companies when deciding on which company to invest in. It also showed that due to patterns and lack of widespread adoption of sustainability accounting identified, that adopting sustainability accounting could provide a differential and competitive advantage for companies when trying to attract investors.

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## **List of Abbreviations**

SA – Sustainability accounting

GA – Green accounting

ROI – Return on Investment

SRI - Socially responsible investing

CSR – Corporate social responsibility

SASB – Sustainability Accounting Standard Board

EMA - Environmental Management Accounting

# 1 Introduction

## 1.1 Overview

This research is focused on the subject of Sustainability Accounting and the goal is to develop an understanding and framework where the author can answer the research question –

*“Can sustainability accounting practices help companies to attract investment?”.*

At first, we need to mention the importance of being sustainable nowadays. The world is struggling with climate crisis, inequality, and exploitation in all parts of the globe. It is well known that in the past, companies and society often ignored the environmental issues that they created, and it was clear that the possible economic impacts due to these environmental issues was not recognized by organizations. Due to the whole climate changes, new regulations, strong public awareness of the importance of being eco-friendly, companies and investors are becoming more concerned about their impact on the environment. Additionally, pressure about the future and possible consequences of climate change, companies are more likely to be concerned about how they account for their sustainability footprint.

Taking into account these considerations this research will at first, explain the emerging concept of Sustainable Accounting also known as Green Accounting (GA) methods and its utility to businesses. Professor Peter wood, an economist, was the first to introduce the term Green Accounting (GA) on the 80's and he stated that the main objective of the use of GA in a company is to measure, record and disclose on the financial statements the impacts of a company's environmental activity (Kiranmai, J. and Swetha, C., 2018).

The Sustainability Accounting, generally speaking, can contribute to reduce or even eliminate certain environmental, social and economic costs when the right decisions are made in the company such as changings in the housekeeping, changings in the part operational of a company or even thinking about an investment in a more environmentally friendly method redesigning process or goods using technology (Moorthy, M., 2013). This research will look to see if these stated benefits of Sustainability Accounting can be used by companies to attract new investors.

On the other hand, we have stakeholders that nowadays, are more critical about choosing a company to invest their money. In (Zou, P. et al. 2020) it was observed an increase in shareholders investing on sustainable companies but the main concerns still being the

Return on Investment (ROI) (Markowitz, H 1952) and investors' concern about how much they might lose in the investment (Mukherjee, S. and De, S. 2019). The main link between SA and investors is "Can sustainability accounting adoption be a catalyst for companies to become more desirable to invest in?"

Considering the current state of the world and how important is to "think Green" and create this awareness and after careful consideration of the relevant literature and research the question - "Environmental Accounting – Can sustainability accounting practices help companies to attract investment?" was identified as an important question to investigate an answer

This dissertation shall guide the reader through the current thoughts and literature available in the space of sustainability accounting and investor decision making. This is built on by the authors own primary research through surveys and interviews. Finally the findings and conclusions are presented for consideration

## **1.2 Research Purpose**

The aim of the research topic proposed is to answer the research question –

*"Can sustainability accounting practices help companies to attract investment?"*.

It has been well documented in the available research and literature that investors (in general) primary criteria for investing are the potential ROI (Return on Investment) on that investment (Markowitz, H 1952) and that investors care more about potential losses than potential returns on investment (Mukherjee, S. and De, S. 2019). Regardless of which is the primary decision-making factor for investing it is clear that sustainability is not the main factor for investing.

While sustainability has identified as a contributing factor when making investment choices it has been identified (Biswas, P. et al. 2019) that investors do not easily consider the eco friendliness of a company enough of a reason to take precedence over higher returns on investment.

Currently the fields of research on SA, Behaviours of investors, Sustainable investing are quite siloed and do not overlap sufficiently to answer the research topic proposed in this dissertation. The research completed in the field of Sustainability Accounting is emerging and mostly looks into the benefits of SA for a company and the benefits for the environment.

The most important research and frameworks in the field of Investing and SA do not have all of the answers which this research topic looks to discover. For example, the current research does not investigate if the money savings of SA practices when combined with the sustainability benefits of SA are enough to convince investors to put their money in SA friendly companies instead of companies which do not use SA practices when the ROI is bigger. Also, current research does not look for a link between SA and higher share prices.

After realising that there is a problem (Sustainability) and that companies could use from this problem to reduce their environmental costs and attract new investors by being Ethical and environmentally friendly and also using the tools that the sustainability accounting provides, the purpose of this research is to

- Investigate investor sentiments and trends towards sustainability accounting
- Accountants and their client's awareness and willingness to use or adopt sustainable accounting practices
- Identify if sustainability accounting can be used by companies to attract investment

Additionally, this research has also as purpose to create this awareness on the CEOs; Nowadays, companies that don't have this concern in general can be left by side by the called "green investors" that according to (Barnea, A., Heinkel, R. and Kraus, A., 2005) are people that have the awareness of looking for companies that follow two very important criteria, financial and ethical. This behaviour is called Green or socially responsible investing (SRI) and are investors that could be a potential partner. Depending of the segment it could be also not positive (ethical, moral and financial speaking) for companies that don't follow the guidance for a sustainable environment.

### **1.3 Significance of the Study**

The interest in sustainability accounting was raised in the author after being part of a few conferences and podcast that dealt with the topic. The extreme importance of being sustainable not only in your personal life but also in a corporation environment brought to the author the idea of helping companies to discover the large amounts of benefits that "being sustainable" can bring to them so that hopefully a change towards sustainability can be encouraged

After six years of experience in the accounting area working mainly in the financial sector (Bank of Investment and Brokerage firm) this research aims to bring not only the knowledge of the author in the Financial/investing sector but also in other segments that the green finance may be useful to help companies to discover the benefits of SA and attract new investors.

#### 1.4 Research Objective

There are multiple objectives to this research including to bring evidence that companies can attract new investors by creating this awareness about the environment and using the sustainability accounting practices as an ally to reduce their costs (Hughen, L., Lulseged, A. and Upton, D.R., 2014). Through researching this topic and collecting primary data this dissertation hopes to achieve the below objectives.

The following are the key objectives that will guide this research:

- Review Investors sentiments regarding green economy and sustainability;
- Investigate how sustainability accounting can demonstrate/highlight/improve a company's sustainability and make it more attractive for investors.
- Identify the current trends for accountants and their clients in the sustainability accounting space to identify – adoption rates of SA in the market at the moment, accountants' awareness and sentiments towards SA and the awareness of clients to SA as a practice.

By following these objectives, the research should have a framework where will be outlined the most relevant topics and areas to be investigated. This research will answer the question, can sustainability accounting and attracting new investment.

#### 1.5 Structure of the Study

**Theoretical:** The researcher will provide an overview of ideas and theories based in gathered books and articles to explain about sustainable accounting; To explain the SA method and its utility and how it is applied on the financial statements. Understand the psychological drivers of investors and their decision-making processes. Also, to identify trends in accountants and how they feel about SA and SA adoption. This all is presented on the Literature Review.

**Practical:** For the practical side, the researcher will use of the investor's behaviour study, measurement tools and data collection method to analyse whether or not there is a relevant point to be considerate.

This research aims to collect and analyse primary research data from many sources including – investors and accountants. Additionally, prominent published articles, books, frameworks, and industry publications will be considered in addition to all primary data collected. The primary and secondary data will be analysed and aim to test the research question

## **2 Literature Review**

### **2.1 Overview**

The goal of this critical literature review was to look at the whole of the research that already exists in the topic so that this dissertation could build on that work the work that has already been done in this topic. This literature review is made up of sources from places such as – academic journals, industry publications, books, government documents etc. The author was very careful to only pick trustable sources and removed not trustable sources.

As can be looked at in the conceptual framework there are a few areas of research that this literature review needed to investigate in order to see if the research question "*Can sustainability accounting practices help companies to attract investment*" is worth doing. From the work in the literature review it was shown that there was gaps in the research of this area, mostly in the area of investor sentiments towards sustainability accounting and the accounting industry's sentiments and adoption of these practices. The literature and conceptual framework below make clear to the reader what has been done on the topic before and the gaps that this dissertation has been done to fill.

### **2.2 The efficacy of Sustainability Accounting (SA)**

The first thing that this research needed to identify is if the practice of sustainability accounting has real value to give companies.

The idea of sustainable development was defined in the UN report Brundtland Report (Our Common Future) as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (World

Commission on Environment and Development, 1987). It is linked to the developments of Corporate Social Responsibility (CSR) and civil rights movements in the 1960s and was turned into a formally recognised framework by Sustainability Accounting Standard Board (SASB) in 2013. (Haskin, D.L. and Burke, M.M., 2016). It is an area of accounting that has the focus about the environment, social, and economic accounting for companies in order to help a company to create value over the long term. Sustainability Accounting looks at the measurement, management and reporting of these. (SASB Conceptual Framework, 2017)

Basically, when talking about external factors that could affect an organization, by following the policies in accounting the accountant is able to disclose the possible profit or loss, revenue, or expense (directly related with the sustainability) on a company's financial statement. (Vandna, 2018). The efficacy of managing environmental aspects can be seen in the Environmental Management Accounting - EMA methodology.

A study from 2018 proposed the definition for EMA which was adopted by the Expert Working Group of United Nations Division of Sustainable Development (UNSD). This study created a definition for EMA that is the - identification, collection, and analysis of data for internal decision making. This information is separated into two parts; Physical (where it should be evaluating the flow and densities of natural resources such as raw material, water and energy) and monetary (where should be evaluate economic information regarding the environment such as earnings, costs and savings). By using this approach, it was found that there are multiple ways that information relating sustainability costs can help managers to the decision-making process by using the production unit. When gathered an efficient cost information it can help to support EMA in lots of ways. (Chakraborty, D. and Roy, J. 2018)

An empirical study realised regarding a Paperboard and Production factory in India showed that by using the EMA method the total environmental costs facing the factory had a decreased for the year 2011/12 (239 lakhs) compared to 2010/11 that was (Rs.261 lakhs). The percentage of environmental costs in the total sales revenue (NET) of the unit was 1.2% for the year 2011/12 and the earnings due to environment (such as selling of garbage, wastes etc. generated an amount of Rs.7,43,37,347 for the year and concluded that it proved to be useful being compliant with environmental reporting mainly when talking about bringing this information for stakeholders to making internal decisions (Chakraborty, D. and Roy, J. 2018)

The author also noted that there is a potential use for EMA but it is not a priority by the companies and that there are difficulties around that such as lack of adequate information on the environment cost that can be a barrier to the improvement of environmental accounting. The fact that the author only used one company and a specific segment for his research is a problem because does not give an overview about how the Environmental accounting is being applied in general (Chakraborty, D. and Roy, J. 2018).

The efficacy of sustainability accounting was found to make the reputation and profitability of businesses better (Leaniz, P. M. G., & del Bosque, I. R., 2013). Sustainability accounting and reporting, when done accurately, was shown to make productivity and efficiency of the company using the methods. This is done by making the processes it uses for its business more optimised

Sustainability reporting is significant to corporates given its potential to increase the image, reputation and profitability of the business (Leaniz, P. M. G., & del Bosque, I. R., 2013). Hence, (Ngwakwe, C.C. and Mtsweni, S.T., 2016) suggests that if companies develop their sustainability reports accurately, it could enhance productivity and efficiency through process optimisation.

It will be important for this dissertation to understand the efficacy of SA so that it can be studied properly at a very detailed level it is important for this dissertation for understanding how it can be used by companies to get a competitive advantage when looking for investment.

### **2.3 Quality Control for a Sustainable Company**

It was also important to discover what impacts adopting accounting and operational practices has on a company because sustainability accounting needs to be proven for companies and accountants to want to use it. This section looks at impact of other green and sustainable practices has on companies.

The internal quality control according to the (COSO 1992) is defined as a process that involves management and an entity's board of directors that are designed in a way to provide assurance in regards to the three main objectives (Lai, S.-M., Liu, C.-L. and Chen, S.-S. 2020).

(A) effectiveness and efficiency of operations (Business Objective, such as profitability and performance goals)

(B) reliability of financial reporting, (Internal controls over the Financial Reporting of a company) and

(C) compliance with applicable laws and regulations.

On the book *Fundamentals of Quality Control and Improvement* the author discusses the emerging a great number of national, international and regional standards regarding the environment management field. The author focuses on the company “Xerox Corporation” and the initiatives regarding its social responsibilities to operate and ensure safe environmental conditions that it has brought in (Mitra, A. 2016)

The author brings as framework/standard the ISO 14000 An International Environmental Management Standard that deals with the development of a management system for a regular operation which can have positive impacts on the Environment. The main objective is to create a repeatable standard for environmental management that do not put in barriers to trade that might be considerate unnecessary (Mitra, A. 2016).

An Empirical study realized that, the company “Ford Motor Company” (which adopted ISO 14000) has managed to achieve a big improvement in how they effectively use natural resources, air pollution, recycling, waste disposal etc., and had helped also with a huge expansion of environment consciousness once they started to promote financial incentives to their suppliers who helped with the reduction of waste. (Mitra, A. 2016)

General Motors was another company that reduced disposed costs by several million dollars annually using the adoption of reusable container programs with their suppliers. (Mitra, A. 2016)

The author highlights the potential of using the ISO 14000 and the benefits of companies adopting the standards, it would be interesting to see more examples in other segments once the focus of the author was industrialization. The Retail segment is another one to be explored because it also has a high contribution for the environment degradation.

It will be important for this dissertation to be able to understand the link between quality control and SA & sustainability. QA standards and practices are a practical way for companies to influence investors sentiments, take advantage of investment trends, and help to make sure that investors think that the investment is not too risky. By doing this the likelihood for investment will be higher. This can be seen in the conceptual framework below.

## 2.4 What Drives Investors decision making? (Theories of Investor Decision Making)

For companies that want to attract investment they need to know what makes investors make investment decisions. To do this the author investigated the whole of the research on this area because it is important to discover if using sustainability accounting can get the attention of investors. There is a very big amount of research on this topic in what do investors look for in investments which the author discusses below.

Investing money into companies as an investor is done a lot within the global economy. Because of this a lot of studies have studied the behaviour of investors when they try to make their whole investment decisions. Traditionally theories such as Portfolio Theory (Markowitz, H 1952) considered investors as 'rational actors' when they making decisions. Markowitz divided the process for investment decisions into two stages - Observation & Experience and then belief in future performance of investment. Markowitz believed that the investor will "maximise" expected returns on investment as the biggest decision-making factor when investing their money. This theory of investor behaviour was said to be wrong by (Pratt, J.W. 1964) and (Arrow, K.J. 1992) who they both argued that investors care more about potential losses of their whole investment than potential returns on investment. The authors theorised that the extra information gave investors a look into if the investment is risky or not. Pratt actually argued that a person's dislike of risk can be used as a way to find out their behaviour. Understanding why investors invest will help to determine if Sustainability accounting can contribute to investors investing in certain companies.

***Dislike of Risk*** - An empirical study which looked at a data set of 1'851,454,620 trades done by 2'276,323 investors across one full year studied the trades which were done before and after company's earnings announcements. This study resulted that the more information that an investor had the more likely they were to invest in a stock. This extra information had a direct impact on the price of these stocks (Mukherjee, S. and De, S. 2019). This data driven study seem to agree that there is some truth in the theories of Pratt and Arrow. The more information a person has about a company the less risky there might be because they now have more information. Sustainability accounting might be one way to get more information to investors and reduce the perceived risks of investing.

(Ryan, L.V. and Buchholtz, A.K., 2001) proposed a trust/risk model for investor shareholder behaviour which tried to balance Expected ROI with a person's Risk-taking likelihood and the perceived Risk of an investment. This model tried to predict an

investment decision based on these factors. This model is a very good tool for looking at the balance investors take between risk and ROI but is not tested. It is a theoretical model and it needs to be empirically tested on a number of investors if it is to be considered important in investment psychology. If Sustainability accounting is incorporated into this model, then maybe Sustainability accounting can be used to decrease risk and predict more investment.

***Ethics as a driver*** - An empirical study into the stock performance and company announcement of Corporate Social Responsibility announcements in developing nations found good performances in stock prices for investors. This study looked at the performance of companies when they had been included on SRI Indexes on the stock markets of developing nations. It found that doing CSR has a positive impact on a company's financial performance. Interestingly it identified investors in emerging markets as having more incentive to use social criteria to their investments. However, this study does not account for investors in developed markets who may not feel the same incentive to invest in socially responsible companies (Zou, P. et al. 2020).

One study done (Biswas, P. et al. 2019) looked at the link between environmental disclosures and investor sentiment. The Author of the study looked at a number of sectors including Power, Pharmaceuticals, and Energy in Bangladesh. Through a series of questionnaires given to investors the author found a strong link between positive economic reporting and investing in a company. The author also found that poor environmental impacts made investors not want to invest in a company.

In a 2017 study into the relationship between the price of oil and the impact this price has on socially responsible investing in Brazil showed how the motivations for doing sustainable investments can be heavily influenced by the actions and results of non-sustainable products (oil). (Oliveira, E.M., 2017) showed that when oil gets more expensive that the investment in socially responsible investment funds goes down due to higher costs and less return on investment from these investments.

This dissertation will look to use these existing theories of decision making for investors and use them as mediating variables for answering the key objectives. To understand how companies can get more investors through SA and sustainable practices, and the outcomes of these practices then it is important to understand the mechanisms of how it works, this is where the theories of decision making are needed by this study.

## 2.5 Investing Trends

It is important to look at trends in investing to see if there might be a place for Sustainability Accounting to be used as a tool to attract investors.

(Shipeng Y, Ferraro, F. and Almandoz, J., 2019) did a data study into socially responsible investing (SRI) and found information that conflicts with the traditional profit maximising theories that dominate investing. The study looked at the trends in SRI across economically advanced nations from 1970 – 2014. The study found that even though the theories of profit maximising that there is a rise in SRI during times when the market is high but it slows when the market is slow such as after the last globally financial collapse in 2008. This study lacks in recent data. A new study should be done to investigate if SRI has re-emerged to previous levels of growth seen before the 2008 financial crisis.

The author (Pizzutilo, F. 2017) conducted an empirical study into the diversification of SRI investment portfolios and found that they can be risky because they do not use enough diversification. The lack of investment opportunities means that funds that wish to invest in socially responsible companies are limited to who they can invest in. This study does not provide any conclusions on how more companies might become Greener and then be included into these SRI funds.

In a 2012 paper which looked at the trends of socially responsible investing research over the time of 35 years had a lot of interesting things for this research to consider. It showed that in the area of sustainability and green investing that the number of topics and categories has increased over time, making areas of focus for investors more differential (Viviers, S. and Eccles, N.S., 2012). This paper also shows that using SRI strategies, when adjusted for risk, do not always result in a worse performance for funds. Some of the studies that this study references also show many times when SRI funds have beaten non-SRI funds on performance which the author suggests will drive the amount of people who want SRI funds, and make more funds focus on more SRI investments.

Through combining primary and secondary research this dissertation will identify the most important factors which help companies to influence investors to invest through using GA. This will be seen through looking at the relationship between SA and the primary Investment drivers and the industry trends.

## 2.6 Sustainability Accounting Adoption

It is important to look at the literature around the adoption of sustainability accounting. It is hard to get solid figures on the adoption of trends across a 3 key sections of SA – environmental factors, social factors, and economic factors. What the literature could show is the trends on the number of companies what say that they are reporting on sustainability.

In a 2008 report (Milne, M. and Gray, R., 2008) trends were identified in the increasing number of companies (among the largest 100 companies in a selection of countries) that are deciding to issue sustainability reports on social, environmental and economic information. Over the course of 15 years companies in countries in the EU, North America and Japan were shown to have an increasing number of companies deciding to publish reports. This trend towards an increase in companies adopting sustainability reporting was identified (Daizy, Sen, M. and Das, N., 2013) where the author showed an increase in companies in India which are self-reporting sustainability. The author also noted that the approaches taken by these companies are very different in how much quality is in each report and how truth the information is. Through these researches it can be seen that there is an increase to sustainability reporting but it does not provide enough information on what companies are reporting or how they are doing it. This is a gap that the dissertation will try to fill.

From an accountant's point of view there are mixed perceptions of sustainability accounting. IN the (D'Aquila, J., 2012) it was noted by the author that there is a desire in the accounting industry for sustainability reporting to be formalised and added to the general list of responsibilities for accountants. This was also seen in (Kraton, M., 2014) which also showed that there is a desire in the accounting industry to integrate sustainability and its reporting into accountant's general work. However, the author does not outline what aspects of sustainability should be reported on.

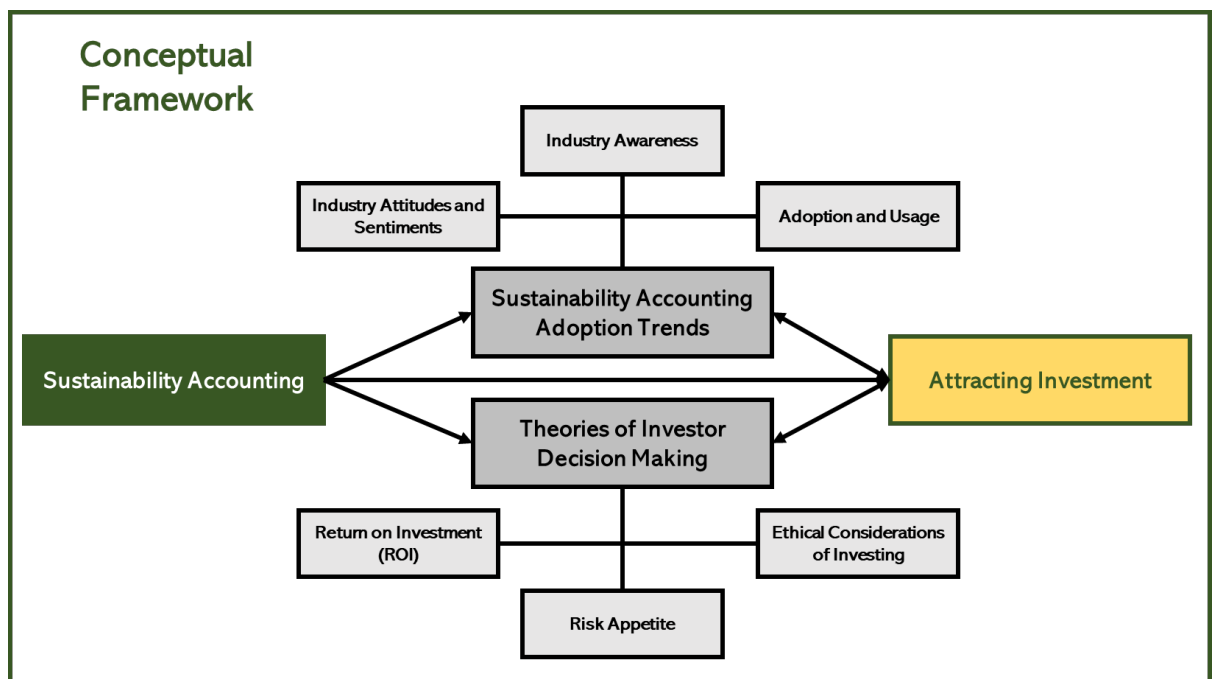
There is a gap in the literature regarding the current situation of how much accountants are working with SA and what aspects of SA are mostly being used by the companies. All of the literature that was reviewed looked at sustainability at a very high level which leaves room for interpretation on what can be considered SA.

## 2.7 Conceptual Framework

To properly understand the research to be presented in this dissertation the following conceptual framework has been developed to explain the relationships between the core variables, theories, and constructs that are involved in this study. Sustainability Accounting and its use in attracting investors are new variables to be introduced into the area of attracting new investments.

Companies using SA may have both positive and negative influences on attracting investors both directly as an independent variable or indirectly through the mediating variables. This framework outlines how this research will help to achieve the following objectives:

- Study the concepts of sustainability accounting in relation to; identified trends in the adoption and awareness of sustainability accounting and the large amounts of research that has been done in the field of investor decision making.
- Review Investors sentiments regarding green economy and sustainability;
- Identify the trends in sustainability accounting awareness and what the current feelings of investors, accountants, and companies are towards adopting the practices of SA.
- Review sustainable and green investing trends in the market.



*Source: Author – Table 1*

As outlined in the research question the purpose of this research is to understand how the new area of sustainability accounting can help companies to attract new investment into their company. For this conceptual framework there are lots of important variables to consider.

**Independent Variable, Sustainability accounting:** This Independent variable is the biggest focus of this research. The positive benefits that SA has for an organisation will help a company to attract new investors. This will be explored through researching the perception that investors have of SA and sustainability. There are lots of theories already about why investors invest in different companies and the most popular things that investors consider before investing has been identified (ROI, Risk Appetite, Ethical Considerations). Sustainability accounting may have positive or negative impacts on these theories in many ways. The impact of SA on these mediating variables will be explored in the study. Also, the impact of Sustainability accounting on investing trends will be looked at.

**Dependent Variable, Attracting Investors:** This is the dependent variable is influenced by the chosen independent variable and the chosen mediator variables. The research will try to answer what impact SA has on attracting new investment into a company. SA cannot be the only variable which makes an impact on Attracting Investors, investing trends and Theories of Investor Decision Making are the mediator variables which this conceptual framework believes will also have an impact.

**Mediating Variable, Sustainability Accounting Adoption Trends:** This mediator variable considers what impact current trends in awareness and adoption of SA may have on attracting new investors. It considers across a number of variables – Industry attitudes and sentiments towards adopting SA, industry awareness from both accountants and how their clients consider SA, and it looks at trends across a 3 key sections of SA – environmental factors, social factors, and economic factors.

**Mediating Variable, Theories of Investor Decision Making:** This framework explains that there could be a way for companies to attract new investors by using SA, however the impact of SA on the main theories of decision making need to be considered. By conducting research using these established theories on why investors make decisions it will become clearer where and how SA can be used to attract new investors for companies. For example, many things can be learned.

## **2.8 Conclusion**

After considering all of the relevant research as discussed in the literature and conceptual frameworks above it is clear that there is a gap in the literature which this research looks to fill. The literature reviewed does a good job to outline a strong start for this dissertation, but it has its limitations. The literature has a solid basis of showing the efficacy of SA and the benefits that it brings for companies, it has a very deep number of theories and papers on what drives the motivations of investors to invest in a company and it shows the trends toward investing in SA.

However, there is a gap identified in the research that looks at investor sentiments specifically in relation to SA and how it might be used by companies to attract investment, there is limited amounts of data on adoption rates of SA practices for companies especially at a low level looking deeply into environmental, social and economic sustainability accounting factors. Without looking at these factors the current literature cannot answer the research question but with the work done in this dissertation the research question can be answered.

## **3 Methodology and Research Design**

### **3.1 Overview**

This chapter will present the methodology and the research design that will be used on this research paper.

The methodology is the procedures or techniques for locating, selecting, processing, and analysing information about a subject. This section will guide the reader to a better understanding about the Research design and what kind of data analysis will be conducted on this paper.

### **3.2 Research Philosophy and Approach**

This research has as its aim to answer the question “Can sustainability accounting practices help companies to attract investment?” and to develop a research methodology. To achieve this aim first, we should identify the research paradigm and philosophy that will be used to conduct this research.

The Philosophy of this research is best described as Interpretivist. To answer the research question, it is very important to understand: what drives investors decisions making, what are the behaviour trends? Is a company being sustainable a differential? The answers for each of those questions are unique and must be reviewed in that way. According to (Saunders M., Lewis P. and Thornhill A., 2009) as a social actor it is critical for the researcher comprehend differences between people and by following the interpretivist philosophy, a proper interpretation of the elements of this research can be made. In resume the result of using this philosophy is use the interpretivism to incorporate a human interest into this research project.

The purpose of this research is Analytical/Explanatory. The aim is guiding research where is possible to find if is there a positive association between a company adopting sustainable practices such as sustainability accounting and investors likelihood to invest in that company. By following the analytical purpose this research can explain how and why this relationship between both themes can be possible with critical thinking and evaluation of facts pointed in this research.

The research process used will be the qualitative once the main objective is to evaluate under interviews and surveys what are the investors' feelings regarding a company adopting sustainable practices and what are the trends around SA and the accounting segment. The majority of journals and articles established that the aims of a qualitative research are to understand the human experience, what is important for them? (Silverman, D. 2020) By following this assumption the focus is to examine and analyse the qualitative data gathered for this research using subjective and interpretative methods.

The outcome applied is the fundamental research also known as basic research as the purpose is to make a contribution in general rather than a specific one about companies adopting green practices and its benefits and the corelation of attracting new investors. By adopting this outcome this research can give a broad overview contemplating knowledge and theoretical understanding.

The approach applied for this research is the inductive once this research will start with the observation and then use theories to support the conclusion resulting from the observation (Goddard W. and Melville S., 2004). As mentioned before, it is very important to evaluate the investors' behaviour in relation to sustainability and analyse the possibility of companies that adopt that being more desirable by them. For this reason, the best approach to be applied is the inductive.

### 3.3 Research Strategy

The research strategy proposed as discussed earlier is the qualitative approach. By using this strategy this research will be through interviews (with investors mainly and people that are active on the stock-market and has a minimum of knowledge about the financial market) and surveys (that has as aim to achieve the maximum number of accountants and people related with accounting in general) as the main data collection method.

By using the inductive approach, the strategy is at first, gather the data necessary and also use from the researcher knowledge and experience on brokerage firms to have a deep observation on the findings. The possibility of interviews with investors and a survey to identify trends with accountants are options to level up the deep understanding of the problem.



*Source: Author – Table 2*

### 3.4 Collection Primary Data

Considering that this research has a qualitative approach, in this section will be presented the data collection methods that will be used in accordance with that.

The qualitative approach has five common data collection methods that are - Observation, Interviews, focus groups and Surveys as primary research; And obtaining existing data such as texts, videos, recordings audios as secondary research (Silverman D., 2020).

## **Primary Research**

- The first method that will be used is the interviews; The purpose of doing interviews is to have a better understanding (in a one-to-one meeting) of 1. What is the trending of investing? 2. What are the currently look for sustainability/sustainable companies that adopt green practices? 3. Is considerate a differential for an investor if a company adopt sustainability accounting? By using this method and the researcher's experience on the financial sector it is expected that enough information will be gathered to develop the answer for the research question.

There is no a specific sector to be evaluate, the idea is to find as much investors as possible so a deep analysis can be made in accordance with the investor behave regarding general sustainable practices but at the same time bringing the concept of sustainability accounting.

- The second method will be the surveys; It is very important to evaluate the feelings/sentiments of accountants regarding sustainability accounting, what are the trends around it, how is the current look for it and what they expect from SA. By using the survey and distributing open-ended questions it will be possible to gather enough information around the theme. It is very important to highlight that the survey should be only and exclusive for accountants and accounting people related.

## **Secondary Research**

- For secondary research it's expected to gather existing data such as literature, articles, journals and videos where the researcher will be able to a better interpretation of the primary research.

The impact of this research will be seen in the conceptual framework which outlines the independent, dependent, and mediating variables. By inputting this research into the conceptual framework which has been designed for this study it is expected that the objectives as outlined will be met.

### *3.4.1 Nature of data*

The Nature of the data as mentioned earlier will be around Primary research that consist in interviews and surveys and Secondary Research that consists in gathering enough and relevant information for the complementation of the data.

## **Interviews**

There are three different types of research interview: structured, semi-structured and unstructured. (Silverman D., 2020) For this research will be used the semi-structured method were includes a series of relevant questions that can help to outline the areas that are going to be investigated but also allow the both (interviewer or interviewee) to deviate in order to conclude an opinion or response. As mentioned earlier the questions will be targeted for a specific group: investors were will be possible to identify the look for sustainable companies and how it can be a differential for them. The following open/ended questions are the ones that will be made:

- 1) *Can you please tell me your name and current job?*
- 2) *Are you actively investing at the moment?*
- 3) *If yes, how would you describe your current portfolio?*
- 4) *How long have you been active in the stock market for?*
- 5) *Can you describe what you look for in a company before deciding to invest or not?*
- 6) *When choosing companies for investing, is a differential for you if this company adopts sustainable practices?*
- 7) *Are you currently investing in any company that has sustainable policies?*
  - a. *How many companies?*
  - b. *For how long have you considered sustainability as a factor in your decision-making process?*
  - c. *If they dropped their commitment to sustainable practices how likely would you be to divest?*
- 8) *Is it important for you that a company shows their sustainability rather than just telling you?*
- 9) *What do you look for in terms of proof of a company's sustainability?*
- 10) *Would you consider investing in a company that has sustainable policies even though the return on invest might be reduced?*
- 11) *What importance would you put on sustainability as a decision factor when deciding to invest or not?*

### ***[Present definition of Environmental accounting to interviewee]***

- 12) *Is a company that has policies to demonstrate in their financial statement - sustainable accounting be considered more attractive for investment? (Such as ways to reduce or demonstrate environmental costs and ways to increase revenue by recycling and utilizing from the waste?)*
- 13) *Is transparency in a company's Environmental sustainability important to you?*

- 14) *Is transparency in a company's social sustainability important to you?*
- 15) *Is transparency in a company's Economic sustainability efforts important to you?*
- 16) *Considering the current situation in the world do you think that having environmental costs demonstrated in a company financial statement a positive change once it could be more transparent with their shareholders?*
- 17) *Would it be important for you if a company provided these details in their annual statements?*
- 18) *If a company was certified by a standards board for using sustainable accounting practices would that make it more or less likely for you to invest?*
- 19) *If a company was not certified by a standards board would that impact your likelihood to invest?*
- 20) *Do you think that a sustainability score should be given to companies based on their performance in relation to environmental, economic, and social performance?*

## **Surveys**

The aim of qualitative Surveys is to obtain a detailed response in the participant's own words to an open-ended topic question. Surveys can be made by Face to Face, Telephone surveys and online surveys (Hancock, B., Ockleford, E. and Windridge, K., 2009).

This research will use the online surveys as method once it is the best option for gathering as much information as possible in a short period of time. By using an online survey tool, it will be possible to generate open-ended questions where the main objective is to understand what accountants expect from sustainability accounting, what are the trends and the adoption. Example questions<sup>1</sup>:

- 7) *Do you believe that recording environmental costs on the financial statements could be a competitive advantage for a company which seeks investment?*
- 8) *How often have your accounting clients asked about sustainable accounting?*
- 9) *Do you think that adopting sustainable accounting practices should be a legal obligation for companies?*
- 10) *Would you advise your clients to adopt sustainable accounting practices if it could be demonstrated to provide better efficiency, transparency and profitability?*

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<sup>1</sup> *The full survey questions are available at the appendices of this research*

### 3.4.2 *Access and Ethical Issues*

Gathering external information is always a hard aspect of completing a dissertation. In order to gather efficient data its very important to develop a strategic approach where it will give the possibility of having access to the selected investors and accountants. (Saunders M., 2019) stated that ensuring familiarity and an understanding of a company even before making the first contact are strategies that can help with this first approach.

Considering the researcher own experience of 4 years working in a brokerage firm as an accountant and the network created in this environment and also in Ireland it will be possible to find enough data for primary research.

The code of Honesty and Integrity will be fully followed on this research were all the efforts will be made to report this research honestly and in accordance with the applied methods, results and data gathered.

Carefulness will also be another ethical code to be followed once it's crucial that in this research the researcher will avoid careless mistakes by reviewing constantly and by doing a strong critical analysis to ensure that the results will be credible.

Confidentiality is another ethical code that will be followed on this research were all the data provided in confidence will be respected by following the interviewee's wish.

By following the stated codes, the researcher believes that no issues might arise from the data collection process.

## 3.5 **Approach to Data Analysis**

The qualitative analysis can be separated in five categories: Content analysis; Narrative analysis; Discourse analysis; Framework analysis and Grounded theory.

For this research will be used the Content analysis that was identified as the best for this research. After collecting the data, the next step would be a process of categorizing the verbal and behavioural contents so than making possible to classify and summarize this information.

In order to evaluate the whole data collected, 3 very important steps will be followed on this research:

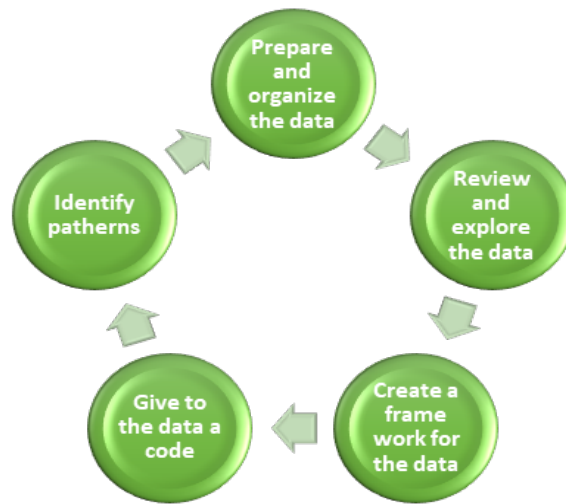
Step 1: Developing a code – By given categories for the data collected using key words, short phrases, concepts or even giving a code for a specific behaviour will make possible to

summarize the data. Axial coding is a possible method to be used once by using this method it is possible to interconnect and link different categories of codes.

Step 2: Identify Patterns and Relationship – Being analytical and critical thinking is the key for this step of the analysis. Identifying words and phrases repetitions, comparing the primary and the secondary research are the main objective on this part of the analysis.

Step 3: Summarize the data – For this stage it will be very important to link the findings from the data with the research objectives and aims by summarizing the codes and in line with the secondary research than arrive in a conclusion.

The table below shows the strategy for this process;



*Source: Author – Table 3*

### 3.6 Conclusion

The potential outcomes of this research could have very big benefits for companies who wish to find another way to help attract investors. It will help to identify any links between the growing area of SA and how companies can use it. Through the research methodologies chosen the paper will give a lot of insight for companies to and others use. As such some of the potential outcomes of this research are:

1. Identify investor’s sentiments regarding Sustainability Accounting. The research will be able to identify any positive or negative sentiments investors have about SA and sustainability in general. These sentiments will also be gathered in a way that can measure the strength of each sentiment. An example of these sentiments might be as examples:

- a. A reduction in ROI could be acceptable to the investor if SA can prove a higher return on ethics for an investor;
  - b. A ranking of how highly investors regard SA and sustainability when making an investment decision.
2. Prove the links between adopting Sustainability Accounting as a practice for an organisation and how it will improve a company's sustainable practices.
3. Establish a link between sustainability and a rise in investment into an organisation.
4. Identify the ways accountants currently use their skills and influence by providing the right information to attract investors. How can Sustainability Accounting be used by accountants to help with this?
5. Identify the current trends for accountants and their clients in the sustainability accounting space to identify – adoption rates of SA in the market at the moment, accountants' awareness and sentiments towards SA and the awareness of clients to SA as a practice.

## 4 Presentation and Discussion of the Findings

### 4.1 Overview

To bring the findings of this dissertation its very important to explore how the whole process of conducting the primary research happened and how it relates to the literature review. As mentioned in Chapter 3 – Methodology the author decided to use the qualitative method where interviews with open/ended questions were made strictly and focuses on Investors, where a better understanding of the trends/feelings around investment could be investigate by the author. To complement the interviews and by following the conceptual frame-work the author decided to also conduct a survey focuses in Accountants, students in Accounting and Finance and people that are related with accounting to also understand the needs from this side.

In total 6 active investors were interviewed and 86 people answered the survey what provided a good amount of information to be analysed. This Chapter will bring all the findings during the interviews and survey process and will also bring an analysis of the whole information gathered.

### 4.2 Findings - Interviews

#### 4.2.1 *Return on Investment (ROI) still the biggest factor*

As mentioned earlier, one of the objectives of this dissertation is to investigate the investors feelings regarding Sustainability Accounting and Sustainability in general. By conducting the interviews with the 6 active investors it was identified that even though choosing companies that are sustainable is a practice that they intend to grow in the future in the end of the day the ROI still being a biggest factor for investors. This aligns with the research of (Ryan, L.V. and Buchholtz, A.K., 2001) and (Markowitz, H 1952) who both believed that ROI was the main consideration for investors.

One of the first questions was around to understand what do investors looks for in companies when deciding to invest or not.

*“I look for an equilibrium between chances of return with security. I try to think in companies that give me possibility of earns with low risk.” – Interview 1*

*“Look to be very honest. The first thing I look for is the question of profitability, the return we will have with the company. And then second, I take a look to try to diversify so as not to get too tied to a specific sector or market. Anyway, so as not to have any kind of loss. I believe that this issue of diversification is very important then. These are the two main challenges I end up selecting.” – Interview 4*

When talking about long-term investments the author could identify that the Return on Investment is a big factor on investors decision-making in combination with low-risk, the company’s continuity and stability. The long term investors focus on ROI once again aligns with (Ryan, L.V. and Buchholtz, A.K., 2001) and (Markowitz, H 1952) but conflicts with (Pratt, J.W. 1964) and (Arrow, K.J. 1992) who they both argued that investors care more about potential losses of their whole investment than ROI.

*“Well, obviously, the price of the shares first one. I suppose when I’m investing, I look. Historically, what sort of return on investment, I can guess. And then what I might expect to receive in the future. Then I suppose other things I look for, you know, because environmentally conscious, so I’d make sure that anyone I invest in, for example, I don’t invest in oil. I wouldn’t put any of my money into oil companies or natural gas. And I’d even say it came to my attention that the amount of damage that crypto currencies is having on the environment because people are wasting energy to mine them. So, I’ve significantly started to reduce my stake in those.” – Interview 6*

Only 2 interviewees presented a previous concern about the environment and sustainability as an also factor when deciding to invest in a company or not but it is very important to highlight that in all the interviews the ROI would be the first and most factor to take into consideration.

Another question was around to understand in a scale of 0 to 10 what importance the investor would put in sustainability as a decision factor when deciding to invest or not in a company.

3 of the 6 people interviewed gave an importance higher than 5 but no higher than 8 what shows that other factors are still more important but that sustainability is an awareness that intend to grow.

*“Now that I’m changing my mindset it caught my attention a lot, I believe that now, because I don’t have so much knowledge [...] I believe I would give a grade between 8, it could be grade 8. [...] I know how important it is but what I said is something new and I am starting to invest now so yes I will need to understand a little more this issue of the impact it has to be able to have a little bit more of certainty, so to have a little more accuracy.” – Interview 4*

In other hand 3 of the 6 people interviewed gave an importance around 5 or lower than 5 that they attributed specially because of the lack of knowledge about this subject and also the importance of other factors.

*"In a scale of 0 till 10 I would say 3 because there are more factors to take into consideration." – Interview 1*

*"I'm going to give a reasonable grade, I think it's about 5 today, precisely because of the issue of not evaluating it so much yet, but I believe that the new generations are making this subject become much more relevant and that in the future it will even be a competitive advantage for the companies." – Interview 5*

One last very important point is around whether or not it would be interesting for investors to invest in a company that adopt sustainable practices even though the return could be smaller. Most of them agreed that they would considerate to investing in a company that adopt sustainable policies even though the return could be smaller mainly thinking in a long-term investment. This could be because of a dislike of risk as outlined by (Ryan, L.V. and Buchholtz, A.K., 2001) and (Markowitz, H 1952).

*"Yes, considering also the equilibrium and proportions. I would invest also considering that it is a practice that intend to grow and be more expected from the investment market. How most of my investment are thinking in long-term even though I could have a smaller return now in short-term I think it definitely would be interesting in the future at long term." – Interview 5*

One of the interviewees made a very important point where he concludes that there is no need to choose between high return or a company that has sustainability policies because nowadays the stock market is very diversify and he believes that you would be able to find both in only one company. This perception from the interviewee was unique, he was the only one who thought that he would not have to sacrifice ROI for sustainability. This aligns well with (Viviers, S. and Eccles, N.S., 2012)'s findings who over a 35 year period saw little differences in ROI from socially responsible investment funds.

*"[...] Now, if you are talking about a scarce market, that would be the option compared to others, which is not interesting, but I believe that we would have other options because we have a huge diversity in the investment market, anyway. So, at first, not unless it was a totally scarce market, which is not because we do have other options to invest as well."- Interview 4*

#### 4.2.2 Transparency

When coding the themes pointed in all the 6 interviews another one that arise was the need and urgency of transparency in the financial market attract them as investors. As mentioned earlier one of the objectives of this research is to bring the feelings of investors regarding sustainability and sustainable Accounting.

When asked if they agree that a score based on the company's performance around economic, social and environmental sustainability should be given to the companies on the stock market all them agreed that it would be very useful. The desire for transparency was also noted in (Mukherjee, S. and De, S. 2019)'s study where it was found that This study resulted that the more information that an investor had the more likely they were to invest in a stock.

*"Yeah, so I think I've found there would make it like clear to the investors where they're investing their money. So, if you're looking for sustainable parts, you would know that company follows that because of the score even to, to them. So, I think it would make it clearer and then the higher the score, more attractive the company, you know, so I suppose it would be important. It would be useful for investors." – Interview 3*

*I believe that for sure an index that would bring metrics of companies that most apply sustainable practices, this initiative would certainly bring more transparency to the process [...] but it has to be something that should be more adopted and more questioned even by us (investors) culturally, [...] today in Brazil we have an index in the B3 of companies that apply and are sustainable, but [...] there are already more than 400 companies on the stock exchange among only 50 that adopt this. So, it's not something that's still used as a competitive differentiator, but it could become if we culturally demanded that too. – Interview 5*

To link the Transparency issue with SA it was important to identify what are the needs from the investor's sides regarding sustainability accounting. One of the questions did an introduction to Environmental Accounting and asked whether or not having it as a company's policy would be a differential and considerate more attractive.

*"Yes, I think would be more attractive and I believe that this topic will earn relevance more and more but I also believe that we need standards for the companies in general otherwise it will not work." – Interview 2*

*"Yes, it is. I believe it can definitely be more attractive, even more if it is a standard way for all companies. I think it would be very interesting and it would even be something decision-making. Because when we are going to select companies, we think of some criteria here that I put as a matter of time, of the market, we do financial analysis, balance sheet, finally, find one more criterion that has a lot to do with our profile of who is investing, I believe it would make it much easier, it would help a lot." - Interview 4*

It is very important to highlight all the mentions about the importance of a standard to SA. As mentioned earlier on this research currently there is already the Sustainability Accounting Standards Board (SASB) that are extremally useful and important but the fact

that SA is still not an obligation make with that the adoption by the companies is still low and that also most of the people does not know that there is already a board for that.

When asked for the interviewees about the necessity of having Environmental costs demonstrated on the company's financial statements and if it would be a positive change once it could bring more transparency for the shareholders all them agreed that it would be a positive change.

*"Yes, I believe it is a positive change, even to show what the company is doing, what the group is doing, or not doing. Because if we see a company that does not have an investment in the environmental part or that it receives what it has in cash and what turns is much greater than the little it is investing in the environment, we understand that the company will have a single objective, which is just a matter of making money and is not thinking about this issue of sustainability. [...] if there was a way to analyse it more clearly, because today when you want to analyse it, you have to get a lot of information [...] So, if you had this in a much clearer way, how much the company is investing or not investing even more if its operational activity harms the environment a lot, it would be better. [...]" – Interview 4*

*"Yeah, I think it's positive because like. When I do look into a company, so it's very easy to see them talking about how good their products are or what they produce. But oftentimes I have to go to third party sources and things like that to get some of the stuff they might not want me to know about. So, I would prefer if it was easy for me to find out all the information. And that includes anything to do with, you know, being green." – Interview 6*

In line with this question also all them agreed that would be very important for them if a company provide all these details in their annual statements. By providing all of the details the investors seemed more likely to invest which aligns with (Mukherjee, S. and De, S. 2019)'s study where it was identified that having more information had a direct impact on the price of stocks, which means the stocks are more desirable.

To go further on the needs of transparency the author decided to also investigate whether or not its interesting for the investors a certification by a standard board in SA and how likely they would be to divest if a company does not have it.

All the interviewees demonstrated an intense interest about a company being certified by a regular body.

*"Certainly, more likely, even more so if it is a trustworthy Regional Council which tends to be and would certainly be a very important factor." – Interview 4*

*"Yes, it would, because I would definitely give priority to the ones who are certified." – Interview 5*

At this point it was also important to identify how likely they would be to divest if the company was not certified in a scenario where it could be an obligation.

*"Yeah, I would probably go for the ones which are certified." – Interview 3*

*“Now that I'm changing my mindset it would definitely affect, and it would affect because we have other options as we mentioned before, there are other options. You are taking one that theoretically was not recommended by a board that is reliable, which is a reference, and was not recommended, for me it makes no sense to continue investing in it. Today I would not invest.” – Interview 4*

5 of the 6 interviewees agreed that they would be more likely to divest if a company was not certified and that they probably would go for the company that was certified by a standard board. Only one would question for what reason would the company not have adopted it.

*“Maybe, I would probably be questioning the company for why it does not have a certificate.” – Interview 2*

#### 4.2.3 Long – term investors (vs) Short – term investors SA awareness

During to the process of the interviews it was noticed a different position between investor when thinking in a long-term and short-term investment.

Five of the six interviewees have a very diversified portfolio but most of them with focus in Long-term investments. Only one of them presented as a high-risk tolerance with investments in a more volatile asset. (Ryan, L.V. and Buchholtz, A.K., 2001) proposed a model for risk and trust for investor shareholder behaviour which tried to balance Expected ROI with a person's Risk-taking likelihood and the perceived Risk of an investment.

When asked for this investor how likely he would be to divest if a company that has sustainable policies dropped their commitment the next answer was given

*“If my focus was sustainability, probably I would divest but how my investments are more short term it does not impact a lot for me. I normally verify more the capital appreciation and then I decide if I need to divest.” – Interview 2*

Most of the investors also thinks that Sustainability is a trend that intends to grow in the future and that it is probably something to take into consideration when thinking about long-term investments.

*“[...] because in the long-term market, this sustainable issue of both financial and environmental responsibility is also important when we talk about long-term. [...] I think the trend is to take a look at the portfolio mainly in the variable income segment to try to see if it makes sense to continue investing [...]” – Interview 4*

*"[...] I would invest also considering that it is a practice that intend to grow and be more expected from the investment market. How most of my investment are thinking in long-term even though I could have a smaller return now in short-term I think it definitely would be interesting in the future at long term." - Interview 1*

*"[...] I believe that the new generations are making this subject become much more relevant and that in the future it will even be a competitive advantage for the companies." - Interview 5*

### **4.3 Findings – Survey**

In considering the research question and the conceptual framework of this dissertation a survey<sup>2</sup> was completed to help to identify sustainability accounting trends. To identify if sustainability accounting practices can help to attract investment it was necessary to discover if people are using these practices at the moment. Depending on those trends the goal of what was discovered was to see if the research as a whole (including the investor interviewers) can help to see if adopting SA can be a differentiator for companies. These trends were looked for in the accounting industry as these are the experts who really know the topic. The trends that were looked for by this survey are

- 1.** Awareness of Sustainability Accounting by people who work in the accounting industry
- 2.** Awareness of Sustainability Accounting by the clients of accountants
- 3.** Accountants' willingness to use Sustainability Accounting Practices and the potential to adopt these methods
- 4.** How much are accountants actually seeing aspects of sustainability accounting being used currently in their work

#### *4.3.1 Trend 1 - Awareness of Sustainability Accounting by people who work in the accounting industry*

The first trend looked for in the survey was to see what the current knowledge of SA is in the accounting industry at the moment. To do this the respondents were asked a simple question.

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<sup>2</sup> survey responses were reviewed, and invalid/ not complete surveys were removed

*“Sustainability accounting is the practice of measuring, analysing and reporting a company’s social and environmental impacts. Have you ever heard about sustainable accounting?”*

This trend was investigated to find out the general level of knowledge with accountants of SA

**Trend 1 – Findings**

Response	Number	Percentage
Yes	43	50%
No	26	31%
Maybe	16	19%



*Source: Author – Table 4*

**Trend 1 – Analysis**

As can be seen in the data above half of the respondents answered that they have heard of SA, with 19% of respondents unsure if they have heard of the practice before. Overall, this suggests that there could be a good level of awareness of SA by the accounting industry. Also 31% of those who responded said that they did not know what SA is, which is a high number.

#### 4.3.2 Trend 2 - Awareness of Sustainability Accounting by the clients of accountants

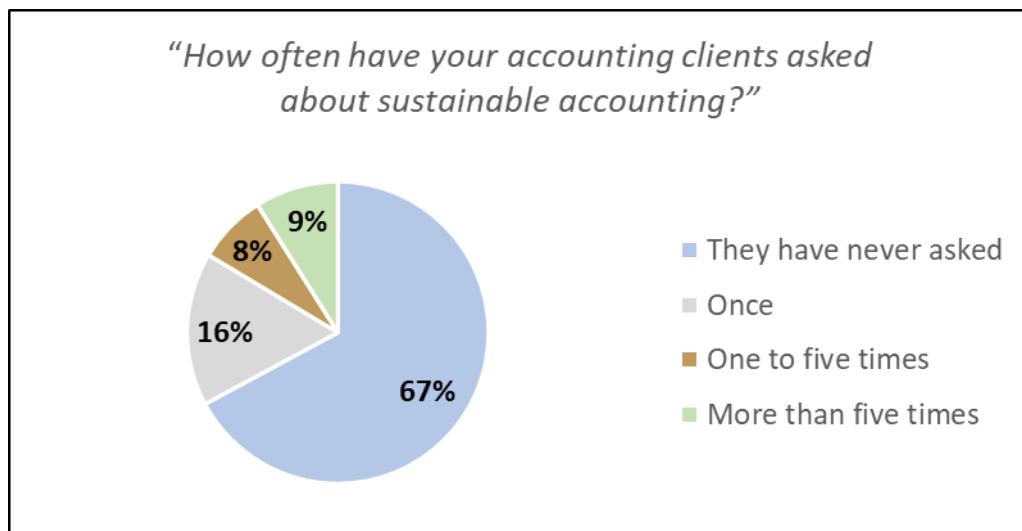
Another trend investigated was to see how much interest the respondents' clients had in SA. To do this the respondents were asked the question:

*"How often have your accounting clients asked about sustainable accounting?"*

The purpose of this question was to get the trends from the accountants on what their clients are asking for, to see if SA is something that the clients are trying to use.

#### Trend 2 - Findings

Response	Number	Percentage
They have never asked	45	67%
Once	11	16%
One to five times	5	8%
More than five times	6	9%



*Source: Author - Table 5*

## Trend 2 - Analysis

As can be seen in the data above the majority (67%) of respondents answered that their clients have never asked specifically about sustainability accounting which suggests that SA is not something that is an important topic for clients. Only a small number of respondents said that they have been asked about SA more than five times which also suggests that these practices are not an important topic for clients.

### 4.3.3 Trend 3 - Accountants' willingness to use Sustainability Accounting Practices and the potential to adopt these methods

This trend was investigated to discover if accountants would be willing to use SA and to suggest to their clients that they use these methods. This was investigated by asked a number of questions

*"Question 9 - Do you think that adopting sustainable accounting practices should be a legal obligation for companies?"*

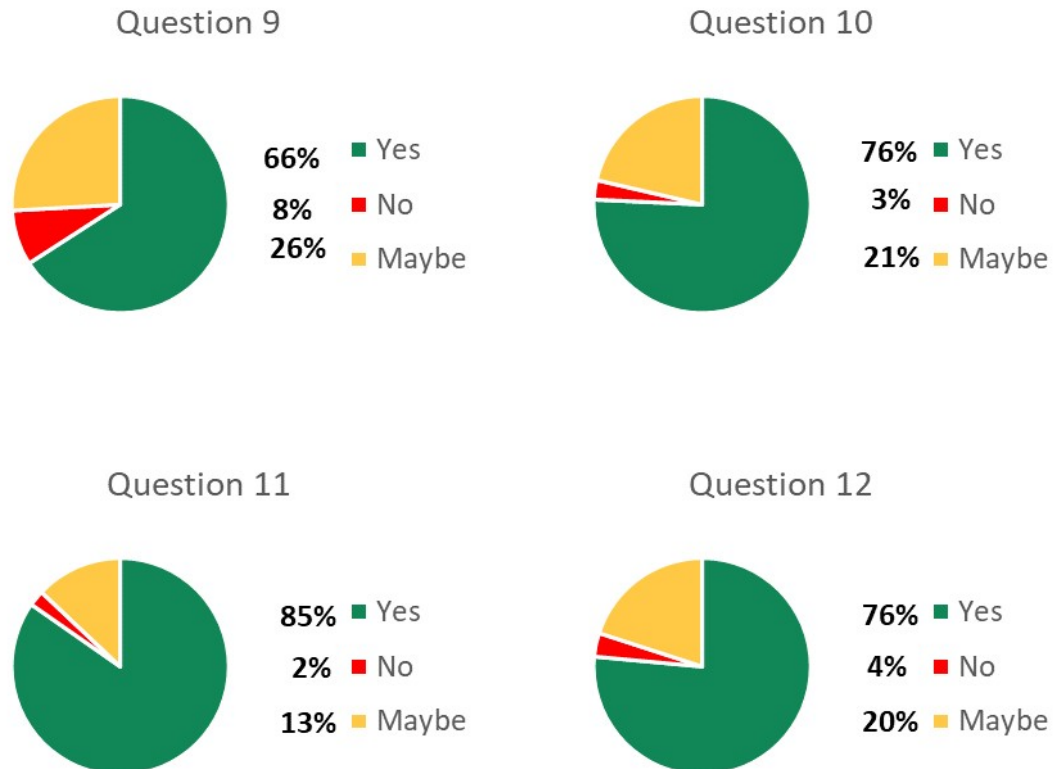
*"Question 10 - Would you advise your clients to adopt sustainable accounting practices if it could be demonstrated to provide better efficiency, transparency and profitability?"*

*"Question 11 - What are your feelings regarding sustainable accounting, do you believe that is something that companies should consider implementing?"*

*"Question 12 - Do you think that a sustainability score should be given to companies based on their performance in relation to environmental, economic, and social performance?"*

## Trend 3 - Findings

Response	Question 9 (Numbers)	Question 10 (Numbers)	Question 11 (Numbers)	Question 12 (Numbers)
Yes	56	78	72	65
No	7	3	2	3
Maybe	22	4	11	17



Source: Author – Table 6

### Trend 3 – Analysis

By looking at the results of the questions above it can be suggested that the majority of accountants have positive attitudes towards the adoption of SA for their clients. In all of the questions asked in this section a positive reply was given by the respondent.

- In question 9, 66% of respondents felt that companies should be legally obligated to engage in SA, 26% were unsure answering maybe and only 8% felt that SA should not be adopted. This shows a strong want from accountants to have their clients start to use SA.
- In question 10, 76% of respondents would advise their clients to adopt SA if benefits such as transparency could be demonstrated through using these practices. 21% answered maybe which showed they were a bit hesitant in advising their clients, and only 3% said no. This shows that if the benefits can be proven with SA then accountants will become advertisers for the methods.

- In question 11 the accountants were asked if they felt that SA is something that companies consider implementing and the breakdown was 85% yes, 13% Maybe, and 2% said no. This is a big showing that companies should think investigate take SA seriously.
- In question 12 the majority of respondents said that companies should be given scores based on their performance in SA. 76% said yes that they want these scores to be given to companies, 20% which is a big number said they were unsure by saying maybe, and then only 4% said no to the idea.

If companies wanted to adopt SA it is important that you get accountant support because stakeholder support is key to successful change. The above results show that there is a trend of accountants who want their clients to adopt these practices and it shows that there are things in SA that has high level of support like that companies what have SA should be given scores depending on their performance. These findings align with the general findings of (D'Aquila, J., 2012) and (Kraten, M., 2014) which identified that accountants have positive sentiments towards wanting Sustainability reporting to be adopted. The data identified in this research adds more trustworthiness to these other papers as it approached not only from a way of seeing if accountants want it adopted but also it checked if they would advocate for the practices.

#### 4.3.4 *Trend 4 - How much are accountants actually seeing aspects of sustainability accounting being used currently in their work*

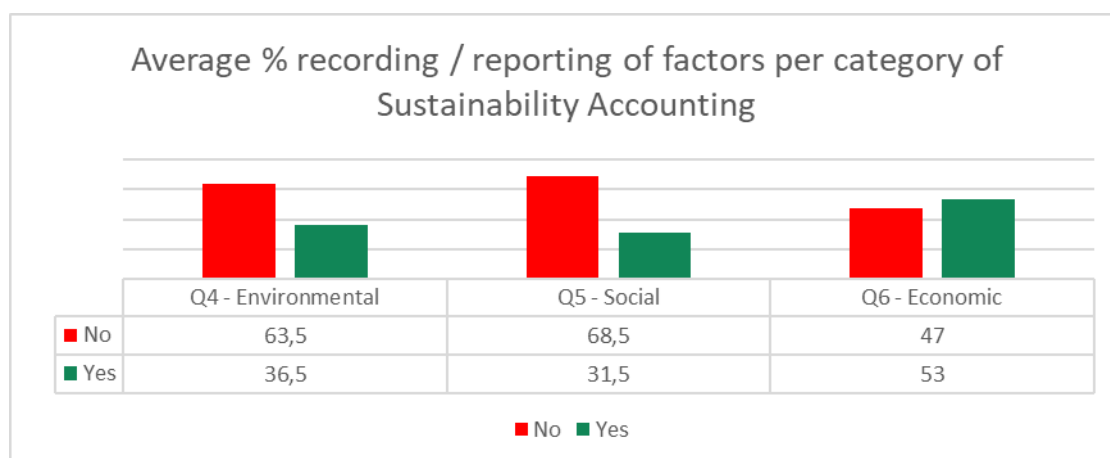
As outlined by SASB there is a lot of different categories to SA – environmental, social, and economic. The purpose of these next questions was to discover if accountants are seeing these different parts of SA in their jobs. Trend 1 and Trend 2 looked at SA awareness in the accounting industry at a high level. These next questions were designed to investigate the trends as a lower level to see which aspects of SA are being used by accountants whether it is on the purpose of using SA or not.

*“Question 4 – Have you encountered instances where any of the following factors of **environmental sustainability** is recorded or reported by a company?”*

*“Question 5 – Have you encountered instances where any of the following factors of **social sustainability** is recorded or reported by a company?”*

*“Question 6 - Have you encountered instances where any of the following factors of **economic sustainability** is recorded or reported by a company?”*

The table below reflects the combined average of responses for all of the three categories of SA:



The below table outlines the data used to create the graph above.

Q4	Total (%)	a. Energy consumption or conservation	b. Water consumption or conservation	c. Greenhouse gases produced	d. Hazardous waste created	e. Recycling of company's waste	f. Impact of packaging
Yes	36.5%	49	27	18	20	41	31
No	63.5%	36	58	67	65	44	54
Q5		a. Investment in local community	b. Demonstration of safe working conditions	c. Diversity & inclusion efforts	d. Influence of public policies	e. Respect for Human Rights	f. Use of fair-trade materials in production
Yes	31.5%	37	35	33	13	24	19
No	68.5%	48	50	52	72	61	66
Q6		a. Accountability and transparency of leadership	b. Adherence to corporate governance	c. Stakeholder value (ROI)	d. Market/industry performance	e. Financial performance	
Yes	53%	35	59	37	35	48	
No	47%	50	26	48	50	37	

*Source: Author - Table 7*

#### Trend 4 - Analysis

By looking at all of the results of the research we can see that for 2/3 of the SA categories that a small majority of respondents have not encountered most factors of environmental and social sustainability, with 63.5% and 68.5% each. In comparison, a small majority have encountered parts of economic sustainability with respondents having encountered 53% of factors questioned.

In Question 4 – environmental, the data shows that companies are more likely to record things such as recycling, and energy consumption and conservation compared to things such as greenhouse gases produced and hazardous waste created.

A similar pattern can be seen in Question 5, social. Even though there is not a single factor that has more encounters than not it can be seen in influence on public policies and respect for human rights are not being reported as much.

Question 6 shows a different pattern because the whole category has a small majority of respondents encountering instances of these factors of SA being recorded. The pattern here indicates that companies are more likely to report areas of sustainability which are more closely in the same area as money and spending. This can be seen in the majorities of corporate governance, Stakeholder value (ROI), and financial performance.

These mixed results are consistent with the literature reviewed. As identified by (Daizy, Sen, M. and Das, N., 2013) where the study highlighted how companies doing sustainability reporting all took very different approaches to what and how they presented the data. The literature however does not go into sufficient detail on each aspect of sustainability reporting.

#### **4.4 Conclusion**

By doing all the interviews and the survey the author could identify a changing on the 6 investors that she talked with. All them gave good feedback around the theme proposed and most of them presented a possible change when thinking about investing and Sustainable Accounting from today towards. It was interesting to see how it is still something new from most of them and that need lots of deep understanding. As mentioned by them having it all standardized would be perfect and very helpful when looking for information and the lack of this made that them have very few knowledge about that.

The Survey was also another very interesting process where the author could identify what the accountants are expecting from SA, what are the trends and by gathering all this information a better understanding from both sides could be made.

In the next Chapter the author will bring the conclusions arrived in this research paper.

## 5 Concluding Thoughts on the Contribution of this Research, its Limitations and Suggestions for Further Research

### 5.1 Research conclusions

This research has as aim to answer the research question that is – “*Can sustainability accounting help companies to attract investment?*” after presenting all the findings in depth in the Chapter 4, this chapter will conclude all the findings discovered due to the process and bring some of the authors thoughts in relation to that.

As outlined in this dissertation the research showed a high potential for Sustainability Accounting in helping companies to attract investments into their organisations.

- ***ROI still a biggest factor*** – As presented on the findings, the ROI is still the biggest factor when choosing a company for investing, but an awareness regarding the environment could be noted in all the six interviewees and a company adopting sustainable policies definitely could be a competitive differential for them.
- ***Transparency*** – All the interviewees highlighted the importance of a company being transparent and not only for a marketing point of view, it is very easy for a company to say that they have improvements regarding environment when actually what the investors want is proofs. Sustainability Accounting definitely can be a tool for companies and investors when talking about being more transparent.
- ***Long-term vs Short-term investors SA awareness*** – It is important to understand whether or not this awareness regarding the environment happens with a short-term or more volatile investor. This research could note a different behave when investors are talking about long-term investment and short-term investment. Could be noted a stronger awareness regarding environment when thinking in a long-term investment.
- ***Awareness of Sustainability Accounting by people who work in the accounting industry*** - This research was able to identify that people who work in the accounting industry had a good level of knowledge and awareness about sustainability accounting, what is important if companies wanted to start using as they will need people to help them adopt these practices. This helps lower how hard it might be for companies to adopt SA and therefore make SA more attractive.

- ***Awareness of Sustainability Accounting by the clients of accountants*** - The research showed that clients of accountants are not aware or asking about SA what is interesting as the data shows that even though the accountants surveyed are in general not being asked a lot about SA by clients this research has identified patterns of adoption by clients. Even though the most of SA aspects are not being done by a lot of clients there is not a single factor that is not being reported by clients.
- ***Accountants' willingness to use Sustainability Accounting Practices and the potential to adopt these methods*** - In support of the research question it was important to understand if SA could be used to attract investment. Part of the way to do this is to get people to use it, so this research needed to identify if accountants would be willing to use SA methods. The research showed a trend of positive feelings from accountants towards SA adoption. This helps lower how hard it might be for companies to adopt SA and therefore make SA a better tool attracting investment.
- ***How much are accountants actually seeing aspects of sustainability accounting being used currently in their work*** - This research showed that the majority of aspects of environmental, social and economic accounting are not being used at the moment. Mainly this is an opportunity for companies to use SA which as shown in the literature has a lot of benefits (profitability, sustainability, transparency) what the investor surveys showed investors want. There is an opportunity for companies to report on SA better as a competitive advantage and potentially attract more investors.

## 5.2 Contributions and Limitations of the Research

The research contributed to understand the feelings of investors regarding sustainability and sustainable accounting such as confirming that even though the awareness about being sustainable is growing day by day it is still a second factor when talking about the return expected from an investment.

As happens with the most qualitative research, the data collected from the interviews which constituted in open/ended questions can be considerate open to interpretation and cannot be at all, considerate as conclusive evidence, however, all the questions were thought very carefully to provide useful and beneficial information for this research.

The survey also has its limitations once it was strictly directed to accountants and related people, what made it more difficult to be spread and end up with a sample of size under of 100. Although, 86 answers are still a valid collection of results as outlined in the methodology section, that could in a way give an overview about the trends in the accounting segment regarding Sustainability Accounting.

The author had another limitation that was the lack of the company's point of view. This research brings values information regarding feelings around investors and trends around the accounting industry but would be very important also to understand what are the feelings of the entrepreneurs regarding SA. By looking into the survey results it is clear that a lack of information regarding SA between accountants and clients is happening and would be interesting to investigate whether or not it would be up to the accountants in creating this awareness on their clients.

Additional time could have made the author go further and look for more interviews, mainly with the ones with a more volatile profile to understand better the behavior regarding environment concerns vs investments around this public.

### **5.3 Recommendations for Practice**

There are a number of practical applications that this research finds can be applied to in practice, some of which are as follows:

- Inform companies about positives of SA;
- Help companies make strategic decisions to adopt SA and get the benefits;
- Inform Investors about the benefits of SA when choosing a company to invest;
- Regulators having the opportunity to bring SA as an obligation when investors desire for more transparency;
- Creation of a Score on the stock market to stimulate Green Investments;
- Determine which issues are most important for a business to make priorities and engage;
- Help companies to identify possible risks in long-term in many areas of their business;

#### 5.4 Recommendations for Future Research

For future research the author would recommend the realization of more interviews mainly with short-term/high-risk investors to have a better understanding around the feelings regarding sustainability accounting in a short-term point of view. As presented in this paper there is a bigger concern coming most from the long-term investors.

The author would also recommend extensive research around the feelings and trends regarding SA expected by the entrepreneurs and company's sides; It is very important to highlight how having this 3rd point of view could complement the research and add more value information.

#### 5.5 Final Conclusion and Reflections

In conclusion, to answer the research question *"Can sustainability accounting help companies to attract investment?"* the answer is yes It can.

By doing this research the author arrived in a conclusion that Investor's feelings regarding SA are in general positive, and there is a big gap uncovered when talking about transparency and lack of information about SA that it is relevant for the investors when making them decisions.

A company adopting SA would definitely be a differential and get a competitive advantage as mentioned extensively by the interviewees and a very important competitive advantage as the adoption rates by companies in general are still mixed trending to low.

This gap of investors looking for companies that are more transparent and compliant with the environment and that at in the moment is uncovered shows a high possibility for companies attracting investments when adopting that.

**Companies** in general looks for better results and in the end of the day, profit. A good part of the better results and profits come from extensive investments by their shareholders;

**Investors** looks for more transparency in a company's financial statements mainly when talking about sustainability in conjunction with also a good ROI;

**Sustainable Accounting** is likely to provides better performance over time, improve a company's reputation by being more transparent, increase the risk resilience once the

company is more likely to be ready in a crises moment and finally increase a lot the potential of competitiveness of a company;

In conclusion if a company decide to adopt Sustainability accounting, then they will receive as a result all the benefits mentioned above which matches with the investors needs leading for the company's needs too.

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## Appendices

### Appendix A – Interviews

*Interview 1\_ 24/08/2021 15:52 - Filipe Balthazar Correia*

**Speaker 1:** Good afternoon!

**Speaker 1:** Can you please tell me your name and current job?

**Speaker 2:** My name is Filipe Balthazar Correia and I am musician and a teacher.

**Speaker 1:** Are you actively investing at the moment?

**Speaker 2:** Yes, I am

**Speaker 1:** If yes, how would you describe your current portfolio?

**Speaker 2:** I believe that I have a moderate current portfolio.

**Speaker 1:** How long have you been active in the stock market for?

**Speaker 2:** Around 4 years

**Speaker 1:** Can you describe what you look for in a company before deciding to invest or not?

**Speaker 2:** I look for an equilibrium between chances of return with security. I try to think in companies that give me possibility of earns with low risk.

**Speaker 1:** When choosing companies for investing, is a differential for you if this company adopts sustainable practices?

**Speaker 2:** I do believe that it is a differential but in my currently portfolio and till now I have never looked properly to check if a company is having sustainable practices even though I think it is important. I would say that I am more worried if the company has any case anti-sustainable rather than being sustainable and demonstrating it.

**Speaker 1:** Are you currently investing in any company that has sustainable policies?

**Speaker 2:** No that I have knowledge

**Speaker 1:** How many companies?

**Speaker 2:** I don't have knowledge if one of the companies that I invest has sustainable policies.

**Speaker 1:** For how long have you considered sustainability as a factor in your decision-making process?

**Speaker 2:** As I don't have any knowledge if one of the companies that I invest are sustainable comply I can't say that it is a factor that I considerate.

**Speaker 1:** If they dropped their commitment to sustainable practices how likely would you be to divest?

**Speaker 2:** Thinking in my current position till now I would probably divest in a company that is more likely to have anti sustainable practices.

**Speaker 1:** Is it important for you that a company shows their sustainability rather than just telling you?

**Speaker 2:** No till now, but I never stopped to think about this subject and I maybe could change my mind.

**Speaker 1:** What do you look for in terms of proof of a company's sustainability?

**Speaker 2:** The only things that I looked in the past were for news in papers but always related with a company being anti-sustainable.

**Speaker 1:** Would you consider investing in a company that has sustainable policies even though the return on invest might be reduced?

**Speaker 2:** Yes, considering also the equilibrium and proportions. I would invest also considering that it is a practice that intend to grow and be more expected from the investment market. How most of my investment are thinking in long-term even though I could have a smaller return now in short-term I think it definitely would be interesting in the future at long term.

**Speaker 1:** What importance would you put on sustainability as a decision factor when deciding to invest or not? (0 till 10)

**Speaker 2:** In a scale of 0 till 10 I would say 3 because there are more factors.

#### **(Explanation of the definition of Enviromental Accounting)**

**Speaker 1:** Is a company that has policies to demonstrate in their financial statement - sustainable accounting be considered more attractive for investment? (such as ways to reduce or demonstrate environmental costs and ways to increase revenue by recycling and utilizing from the waste?)

**Speaker 2:**

**Speaker 1:** Is transparency in a company's Environmental, social and economic sustainability important to you?

**Speaker 2:** I do believe that it is important but in my currently portfolio and the past companies that I had invested it was not something that I was worried for.

**Speaker 1:** Considering the current situation in the world do you think that having environmental costs demonstrated in a company financial statement a positive change once it could be more transparent with their shareholders?

**Speaker 2:** My posture and way of thinking is about divergent of my posture investing and to be honest I am only taking into relevance it just know. I would definitely say yes but thinking as an investor till now it was never something that I thought before.

At this point the interviewee make an observation that he is vegan and always have been worried about supporting companies that help the environment but never thought that he also should do the same when looking for companies to invest. He said that probably from today he would be more worried about that when looking for. He pointed that probably he would look more someone that does not care about the environment concerns but when actually the lack of information made him not think at all about this.

**Speaker 1:** Would it be important for you if a company provided these details in their annual statements?

**Speaker 2:** Yes. It would

**Speaker 1:** If a company was certified by a standards board for using sustainable accounting practices would that make it more or less likely for you to invest?

**Speaker 2:** If I had the knowledge of that it would probably more likely for me to invest

**Speaker 1:** If a company was not certified by a standards board would that impact your likelihood to invest?

**Speaker 2:** As I said before how in the past, I did not look for this kind of information probably it would not impact however it could be definitely something to think in the future.

**Speaker 1:** Do you think that a sustainability score should be given to companies based on their performance in relation to environmental, economic, and social performance?

**Speaker 2:** Yes, I do believe and not only in an Ethical perspective but as I said before I believe that sustainability is a trend for the future and it more and more will be charged from the companies.

**Speaker 1:** Thank you so much Filipe!

*Interview 2\_ 25/08/2021 - 21:29 - Luiz Palmeira*

**Speaker 1:** Hi Luiz How are you? Is that ok if I record our meeting?

**Speaker 2:** Yes, it is.

**Speaker 1:** Ok if you agree I will start the interview now, can you please tell me your name and current job?

**Speaker 2:** My name is Luiz Palmeira and my occupation is Accountant and I act in the TAX area as tax consultant.

**Speaker 1:** Are you actively investing at the moment?

**Speaker 2:** Yes, I am.

**Speaker 1:** How would you describe your current portfolio?

**Speaker 2:** My actual portfolio has the focus in variable income, I consider myself as a investor with high risk tolerance.

**Speaker 1:** How long have you been active in the stock market for?

**Speaker 2:** Around 1 year and half

**Speaker 1:** Can you describe what you look for in a company before deciding to invest or not?

**Speaker 2:** Nowadays I look more to the company's values and mainly the company's turnaround.

**Speaker 1:** When choosing companies for investing, is a differential for you if this company adopts sustainable practices?

**Speaker 2:** No, not at the moment.

**Speaker 1:** Are you currently investing in any company that has sustainable policies?

**Speaker 2:** No that I have knowledge, In the moment I am investing only in 2 companies and I don't have knowledge if they have sustainable practices or not.

**Speaker 1:** So, I will not ask the next question because as you mentioned early you don't know if the companies that you invest has sustainable policies,

**Speaker 2:** Yes, its ok.

**Speaker 1:** Let's say that one of the companies that you invest adopted sustainable practices, if they dropped their commitment to sustainable practices how likely would you be to divest?

**Speaker 2:** If my focus was sustainability, probably I would divest but how my investments are more short term it does not impact a lot for me. I normally verify more the capital appreciation and then I decide if I need to divest.

**Speaker 1:** Is it important for you that a company shows their sustainability rather than just telling you?

**Speaker 2:** Not necessary should be there but I do believe that something formal would be good, In the website of investors relationship would be interesting to have this information there. Nowadays all the people are talking about sustainability and I do believe that it will have a relevance more and more but in my opinion in the end the return still being the most important thing

**Speaker 1:** What do you look for in terms of proof of a company's sustainability?

**Speaker 2:** I would look for certifications, and standard boards mainly because I don't know properly about the subject and it would bring me more veracity.

**Speaker 1:** Would you consider investing in a company that has sustainable policies even though the return on invest might be reduced?

**Speaker 2:** Yes, I would.

**Speaker 1:** What importance would you put on sustainability as a decision factor when deciding to invest or not? (0 till 10)

**Speaker 2:** It's hard to say but If I had 2 companies to choose, and one is sustainable and the other no and the return does not have a big difference it would be crucial for making my decision and in this way, it would have 10 relevance but normally I need to see all the factors involving that.

#### **(Explanation of the definition of Environmental Accounting)**

**Speaker 1:** Is a company that has policies to demonstrate in their financial statement - sustainable accounting be considered more attractive for investment? (such as ways to reduce or demonstrate environmental costs and ways to increase revenue by recycling and utilizing from the waste?)

**Speaker 2:** Yes, I think would be more attractive and I believe that this topic will earn relevance more and more but I also believe that we need standards for the companies in general otherwise it will not work.

**Speaker 1:** Is transparency in a company's Environmental, social and Economic sustainability important to you?

**Speaker 2:** Yes. It is

**Speaker 1:** Considering the current situation in the world do you think that having environmental costs demonstrated in a company financial statement a positive change once it could be more transparent with their shareholders?

**Speaker 2:** Yes, I think so

**Speaker 1:** Would it be important for you if a company provided these details in their annual statements?

**Speaker 2:** Yes, it would.

**Speaker 1:** If a company was certified by a standards board for using sustainable accounting practices would that make it more or less likely for you to invest?

**Speaker 2:** It would make me more likely to invest.

**Speaker 1:** If a company was not certified by a standards board would that impact your likelihood to invest?

**Speaker 2:** Maybe, I would probably be questioning the company for why it does not have a certificate.

**Speaker 1:** Do you think that a sustainability score should be given to companies based on their performance in relation to environmental, economic, and social performance?

**Speaker 2:** Yes, it would be very interesting and useful.

*Interview 3\_26/08/2021 - 23:16 - Arthur da Silva Ribeiro*

**Speaker 1 (00:02):** Hello, Arthur, how are you?

**Speaker 2 (00:07):** Very good. Thank you.

**Speaker 1 (00:08):** Thank you for coming. I'm just going to ask you first, if is that okay that I'm recording the video?

**Speaker 2 (00:16):** Yeah, that's no problem.

**Speaker 1 (00:17):** Okay. Just because we have to let you guys know before we starting. And so is that okay if I start the interview now?

**Speaker 2 (00:25):** Yep, no problem. Okay.

**Speaker 1 (00:27):** So the first question, is if you can please tell me your full name and what is your current job position?

**Speaker 2 (00:37):** So my name is Arthur da Silva Ribeiro and I work in international trade.

**Speaker 1 (00:44):** Okay, perfect. Are you actively investing in at the moment?

**Speaker 2 (00:51):** Yes. I have a few investments in a few different companies.

**Speaker 1 (00:55):** Okay, perfect. And so how would you describe your current portfolio?

**Speaker 2 (01:05):** Well, to be honest I am very conservative, so I prefer to invest in like an, on a long-term basis because I believe that even though the profits may not be as high, I feel can have like more safety. I won't lose my money if I invest in a more conservative way. So I think that's my, my fault as an investor.

**Speaker 1 (01:37):** Okay. Uh, so for how long have you been active in the stock market for?

**Speaker 2 (01:43):** So, I'm quite new. I've been investing for the past two years.

**Speaker 1 (01:49):** Okay. And so, can you describe, what do you look for in a company before you're deciding to invest in or not?

**Speaker 2 (02:00):** Well, as I said, I'm very conservative, so I try to not to take high-risk and I also, uh, try to find what the trends work, going to be the trend in the next five years, so that I can, uh, try to focus my investment on those companies, which follow that trend. So, uh, one of the trends is definitely, uh, sustainability and this is something that I would look for as well.

**Speaker 1 (02:38):** Okay, cool, so when looking for companies for investing is a differential for you if this company adopts sustainable practices?

**Speaker 2 (02:50):** Yeah. So as I was saying, one of the factors that I would take into consideration is they're sustainable, uh, practice that that company takes. But, uh, of course I would see if the company is growing in the markets, the markets, or if, you know, they're hoping to learn a new product or something, and also the sustainable side of the things as well.

**Speaker 1 (03:20):** Okay. So I would say that, are you currently investing in a company that has sustainable policies?

**Speaker 2 (03:28):** Yes. That's something that I, um, I'm actually learning more about it now, because as I said, I'm quite new in the investment markets, but, uh, I think one of them is

**Speaker 1 (03:45):** Okay. Um, and for how long have you considered sustainability as a factor in your decision-making process?

**Speaker 2 (03:54):** To be honest, that this is something that I started taking into consideration the last six months. Uh I've been reading a lot about the, you know, how to invest my money. Uh, this is something that comes up quite often on the articles. So, but it's something I'm still learning about it. Uh, I'm not a hundred percent right about how it works.

**Speaker 1 (04:20):** Okay, cool. And so let's say that one of these companies, like this company that you are already investing in sustainable, that you are already investing in has sustainable policies, let's say that they drop it there, come compliment to sustainability practices. How likely would you be to divest in this company?

**Speaker 2 (04:43):** Well, probably I would look for companies that have done that in the past and see how this impacted the value of the stock. So simple. If I see the other companies change their, uh, you know, practices in, uh, in a way with the environment and the effect that they're, you know, the value of their stock, I would definitely consider that as a factor when making the company that I'm investing in.

**Speaker 1 (05:19):** Okay, perfect. And is it important for you that a company shows their sustainability rate rather than just telling you when? I mean, shows is like, uh, showing in their, uh, in their reports, you know, sorry, because some of the companies they can show in the report and some of them would say like more in a informal way, you know? So what, which one do you think would be better for you?

**Speaker 2 (05:59):** I think that I, I I'd rather see it in practice, so, and, and when, I mean, pharma line in, so they would, uh, you know, use that as their marketing, as a marketing strategy, but also I would like to see that, you know, and the reports as well, you know, have to prove that you're doing what you're saying that you're doing. Okay.

**Speaker 1 (06:26):** Perfect. And what do you look for in terms of proof of a company's sustainability? So just in, in line with the last question, last question. What would you look at as proof like would be the reports maybe, or,

**Speaker 2 (06:44):** Yeah, I suppose they should have, like, in their financial report, maybe they should have, you know, affection showing like how they are, you know, contributing with the environment, like what, how the policies were, you know, so like the results of the policies. Okay. Um,

**Speaker 1 (07:14):** Would you consider investing in a company that has sustainable policies, even though the return on investment might be reduced? It,

**Speaker 2 (07:24):** To be honest? I think that I would say no, even though I believe that it is important to like part of the company to be eco-friendly and that will attract investors are invested her. Uh, if I knew that the, you know, the return, the profits was going to be lower than a company, which is not doing the same, I would probably go for the other one if that's, what's making, you know, making more profits. So I try to, uh, you know, have both the companies which help the environment eco-friendly company, also trying to find the ones which make the most profit doing that. Okay.

**Speaker 1 (08:19):** And what importance would you put on sustainability as a decision factor when deciding to invest or not? Let's say in a scale of zero to 10, when you are like choosing, picking a company in a scale of zero to 10, what importance do you give for sustainability?

**Speaker 2 (08:42):** Um, I would say 6.

**Speaker 1 (08:49):** Uh, is a company that has policies to demonstrate in their financial statement, sustainable accounting be considered more attractive for attractive for investment.

**Speaker 2 (09:06):** Oh, well, as I said, this is something quite new for me, but if there was a way to show that they are doing something, you know, that I wait to prove that they are doing what they're saying they're doing. So, I believe that yes, I would agree with that. I would see how they are applying their practices.

**Speaker 1 (09:34):** Uh, the next three questions I'm going to turn just in one, cause they're pretty much the same. So, is transparency in a company's environmental or social or economic sustainability important to you?

**Speaker 2 (09:52):** Yes. So, transparency and all those areas would be, uh, like important as a factor to, you know, it's very important to know where you're putting your money. Yeah.

**Speaker 1 (10:09):** And considering the current situation in the world, do you think that having environmental costs demonstrated in a company's final financial statement, a positive change once it could be more transparent with their shareholders? Yeah. Uh,

**Speaker 2 (10:31):** Yeah. Uh, like in line with my last answer, I believe that transparency is essential. Uh, so you have to know how you're, you know, where you are investing. So, if the company is showing how they are, like how they're applying their eco-friendly policies and showing that in their report and their financial statements, that's a, I think a yes.

**Speaker 1 (11:04):** You know? Yeah. Okay. Um, what is being important for you if a company provides these details in their annual statements? So probably as you said before, okay. If a company was certified by a standard board for using sustainable accounting practices, would that make it more or less likely for you to invest?

**Speaker 2 (11:30):** Probably more likely because it would be recognized and a sustainable, you know, company. So definitely it would be a different show. Like if something attracts the attention

**Speaker 1 (11:47):** If a company was not certified by standard board, would that impact your likelihood to,

**Speaker 2 (11:55):** Yeah, I would probably go for the ones which are certified.

**Speaker 1 (11:59):** Okay. So just the last question. Do you think that our sustainability is core should be given to companies based on their performance in relationship environment, economic and social performance? So, just to explain to you currently, this doesn't happen, but what do you think if like you could go, uh, when you're looking for picking a company to invest, if there was a score that you could see how they are acting, uh, with the environment and social, economic, everything thinking about sustainable part, what, what do you think about that?

**Speaker 2 (12:36):** Yeah, so I think I've found there would make it like clear to the investors where they're investing their money. So, if you're looking for sustainable parts, you would know that that company follows that because of the score even to, to them. So I think it would make it more clear and then they hired the score, I'd say the higher, the attractiveness of that company, you know, so I suppose it would be important. It would be useful for investors.

**Speaker 1 (13:13):** Okay. Okay. Perfect. Thank you so much, Arthur, for the, in terms of, for time. Um, and that's it. Thank you.

*Interview 4\_ 28/08/2021 - 22:58 - Anderson Ramos das Virgens*

**Speaker 1:** Hi Anderson How are you?

**Speaker 2:** I am good, how are you?

**Speaker 1:** I am very good! At first, I would like to ask you if is that if I record our meeting?

**Speaker 2:** Yes, there is no problem for me

**Speaker 1:** Ok if you agree I will start the interview now, can you please tell me your name and current job?

**Speaker 2:** My full name is Anderson Ramos das Virgens. I have a degree in administration and now work in the purchasing area.

**Speaker 1:** Are you actively investing at the moment?

**Speaker 2:** Yes, I am.

**Speaker 1:** How would you describe your current portfolio?

**Speaker 2:** Cool, I'm investing about two and a half years. And my portfolio today is very diversified. I have fixed income and I also have variable income, most of what I have today is in variable income, which is around 80 percent between 70 and 80 percent.

**Speaker 1:** How long have you been active in the stock market for?

**Speaker 2:** Since 2018 and beginning of 2019. Anyway, since then I've been investing little by little.

**Speaker 1:** Can you describe what you look for in a company before deciding to invest or not?

**Speaker 2:** Look to be very honest. The first thing I look for is the question of profitability, the return we will have with the company. And then second, I take a look to try to diversify so as not to get too tied to a specific sector or market. Anyway, so as not to have any kind of loss. I believe that this issue of diversification is very important then. These are the two main challenges I end up selecting.

**Speaker 1:** When choosing companies for investing, is a differential for you if this company adopts sustainable practices?

**Speaker 2:** Yes, it is something very important that I believe we have to take a look at. Even the reason for this conversation we are having made me think about this because today it is not a criterion that I put first but it is extremely important because today it ends up being a little unfair because I keep trying to look more at the profit part the return part. Yes, but I think it would be very important to start looking at this sustainability part as well.

**Speaker 1:** Are you currently investing in any company that has sustainable policies?

**Speaker 2:** Yes, I have two companies that I know by heart now that ANJE, which is on the stock exchange, works with sustainable practices and also has Petrobras, which is the main one here in Brazil. And then we have an index here, we have a sustainability index on the stock exchange. So, I have a group of companies that are invited to participate in this specific index and then they mention which companies are approved or that have passed a criterion. So, this makes it easier and much easier. But not all the companies I have are participating.

**Speaker 1:** How many companies?

**Speaker 2:** 2 companies

**Speaker 1:** For how long have you considered sustainability as a factor in your decision-making process?

**Speaker 2:** This is recent because I've been investing for a little over three years so it's something recent for me. I confess that in the beginning I tried to look at the financial part of the return part. And then recently I started looking to try to understand the issue of the future as well, because in the long-term market, this sustainable issue of both financial and environmental responsibility is also important when we talk about the long-term issue. I tell you that earlier this year I must have started looking at something or looking at them more and I think the trend is to take a look at the portfolio mainly in the variable income segment to try to see if it makes sense to continue investing. Anyway, make a review to see whether or not it meets these aspects as well.

**Speaker 1:** If they dropped their commitment to sustainable practices how likely would you be to divest?

**Speaker 2:** Ah, would be a high probability. My idea is to review this portfolio to see how is this issue of sustainability, environmental practices, and finally to understand a little bit about the company as well, because when I started to invest, I started generically and I started placing the companies and following up. the financial result and I was putting it. Now, I try to be more limited. For example, we have a TF fund here that only makes sustainable companies. So, this is something that we invest there and we don't need to keep monitoring whether or not that company is following the rules because to be in this fund it needs to be compliant with sustainability. Which I think makes a lot more sense because we don't have time to spend all the time studying, looking. This is something that catches my attention a lot

**Speaker 1:** Is it important for you that a company shows their sustainability rather than just telling you?

**Speaker 2:** Yes, it is important and I think it should even be a criterion for companies that are on the stock exchange, a fixed criterion maybe. Something obligatory, mandatory for companies, to put this sustainability issue to an index or perhaps a grade, something like that because it would make this type of analysis much easier. I see that some companies are now starting to study and present in the media on television the issue of Net Zero, which has a lot to do with it, but not all companies have the resources to show this. So, it would be a good benchmark.

**Speaker 1:** What do you look for in terms of proof of a company's sustainability?

**Speaker 2:** Today I don't have this practice. I believe that I got a bit attached to the Sustainable Fund because it already brings us everything ready. And I confess that I don't investigate because I believe too. So, I don't investigate whether those companies are actually complying or not because I believe in this issue of the index and I think it is reliable. But I think what alternatives we would have on the internet. I imagine that on the internet we would have no fixation on information disclosed by the company, but maybe look for another way. But as a result, I don't know if there is any specific regulatory website that does this type of check.

**Speaker 1:** Would you consider investing in a company that has sustainable policies even though the return on invest might be reduced?

**Speaker 2:** Look, I think this really catches my attention, because if I have other options that are addressing the sustainable, economic, environmental and financial part, for me it would be a little more interesting, I would have other alternatives. Now, if you are talking about a scarce market, that would be the option compared to others, which is not interesting, but I believe that we would have other options because we have a huge

diversity in the investment market, anyway. So at first, not unless it was a totally scarce market, which is not because we do have other options to invest as well.

**Speaker 1:** What importance would you put on sustainability as a decision factor when deciding to invest or not? (0 till 10)

**Speaker 2:** Now that I'm changing my mindset it caught my attention a lot, I believe that now, because I don't have so much knowledge because I'm not so inserted, I don't study so much, I believe I would give a grade between 8, it could be grade 8. It's an issue of lack of knowledge and not being so involved but I know how important it is but what I said is something new and I am starting to invest now so yes I will need to understand a little more this issue of the impact it has to be able to have a little bit more of certainty, so to have a little more accuracy.

### **(Explanation of the definition of Sustainable Accounting)**

**Speaker 1:** Is a company that has policies to demonstrate in their financial statement - sustainable accounting be considered more attractive for investment? (Such as ways to reduce or demonstrate environmental costs and ways to increase revenue by recycling and utilizing from the waste?)

**Speaker 2:** Yes, it is. I believe it can definitely be more attractive, even more if it is a standard way for all companies. I think it would be very interesting and it would even be something decision-making. Because when we are going to select companies, we think of some criteria here that I put as a matter of time, of the market, we do financial analysis, balance sheet, finally, there is one more criterion that has a lot to do with our profile of who is investing, I believe it would make it much easier, it would help a lot.

**Speaker 1:** Is transparency in a company's Environmental, social and Economic sustainability important to you?

**Speaker 2:** Absolutely yes, for example I have a part of my investments that I look to make for the long term. So, in the long term, I end up taking a little more care to analyse these companies, because it's not just the issue of financial return that I'm seeing when I say that the company is focused on the environment, great, positive! it is socially oriented and is thinking care about the community, thinking around it is extremely important too, because it is no longer just a one-off financial issue, then I am not only looking at the financial issue, but looking at other aspects it is also a question of value of personal value to work these three aspects in these three ends is of course economic also because for the company to happen it needs to rotate. So, it needs to look at these three spheres. So, when the company is looking at this and then it matches what I want in the long term, I think it's perfect, sensational, it makes it much easier.

**Speaker 1:** Considering the current situation in the world do you think that having environmental costs demonstrated in a company financial statement a positive change once it could be more transparent with their shareholders?

**Speaker 2:** Yes, I believe it is a positive change, even to show what the company is doing, what the group is doing, or not doing. Because if we see a company that does not have an investment in the environmental part or that it receives what it has in cash and what turns is much greater than the little it is investing in the environment, we understand that the company will have a single objective, which is just a matter of making money and is not thinking about this issue of sustainability. So, the asset is very negative and I think if there was a way to analyse it more clearly, because today when you want to analyse it, you have to get a lot of information and it's even something I didn't do because I don't take a single company so I can keep looking at the details. We have a huge diversity of companies and

this ends up getting in the way. So, if you had this in a much clearer way, how much the company is investing or not investing even more if its operational activity harms the environment a lot, it would be better. So theoretically these companies would have to invest a little more, we would have to understand how much value they are generating for this market in which they operate.

**Speaker 1:** Would it be important for you if a company provided these details in their annual statements?

**Speaker 2:** It sure would be, which would make life much easier. That everyone was clear about this information, for example a grade, finally this information so that it would be clear to everyone what the criterion used is and that it was a standard, even if it is by country that is something standardized because it would greatly facilitate the way of any type of analysis. Because, for example, if it's a specific market, the grade is one, if it's another market, the grade is another and it ends up getting in the way of making this analysis a little more detailed, but it would make a total difference if it had.

**Speaker 1:** If a company was certified by a standards board for using sustainable accounting practices would that make it more or less likely for you to invest?

**Speaker 2:** certainly, more likely, even more so if it is a trustworthy Regional Council which tends to be and would certainly be a very important factor.

**Speaker 1:** If a company was not certified by a standards board would that impact your likelihood to invest?

**Speaker 2:** Now that I'm changing my mindset it would definitely affect, and it would affect because we have other options as we mentioned before, there are other options. You are taking one that theoretically was not recommended by a board that is reliable, which is a reference, and was not recommended, for me it makes no sense to continue investing in it. Today I would not invest.

**Speaker 1:** Do you think that a sustainability score should be given to companies based on their performance in relation to environmental, economic, and social performance?

**Speaker 2:** It would be a very interesting "dream"

**Speaker 1:** Just so I understand Anderson. Currently you say that you have a score in the stock market but it is not very deep, is this a financial fund that you commented on?

**Speaker 2:** The stock market has two types of situations. We have the B3 index that it selects some companies, it selects who has and can participate and the company will answer a questionnaire, will respond with some information and then they have a criterion to select these companies here to meet our criteria of B3 and they are considered sustainable today. Then he goes and recommends the company and tells you what the relationship is. So, you can already know.

And we have another product, which is private investment, called ETF, which takes these main companies. And then instead of taking a single company, for example, you want to invest in Petrobrás, you want to invest in another sustainable company, then you can buy this investment fund, you don't need to buy directly from the company. But if you want to buy a sector for example "I only want sustainable companies" then this fund, it is there specifically for that. For this you do not need to keep analysing and it makes it much easier, then if any company loses any criteria, it leaves this fund.

**Speaker 1:** Perfect. And then for sure this would still be a differential that would be something more for you. To make choosing easier

**Speaker 2:** Exactly, and this fund has a very positive result, this one from B3, because the gain it has had over time is greater when we gather all the shares that are on the Brazilian stock exchange. Its gain from the fact that the company is sustainable and having this approval, the financial result is much greater than if we gather all the companies that are on the stock exchange. So, it's quite interesting.

**Speaker 1:** Perfect, thank you so much for your time, Anderson, you helped me a lot!

*Interview 5\_28/08/2021 - 23:40 - Filipe Silva*

**Speaker 1:** Hi Filipe, how are you?

**Speaker 2:** I am very good, Thank you!

**Speaker 1:** Great! First, I wanted to ask if it's okay for me to record our conversation?

**Speaker 2:** Yes, sure, no worries.

**Speaker 1:** Ok if you agree I will start the interview now, can you please tell me your name and current job?

**Speaker 2:** Perfect, my full name is Filipe da Silva and I am an accountant.

**Speaker 1:** Are you actively investing at the moment?

**Speaker 2:** Yes, in fixed income, which are in Treasury Direct papers, in fixed income I have been investing for approximately 3 years in variable income I started investing approximately one year ago.

**Speaker 1:** How would you describe your current portfolio?

**Speaker 2:** Despite having a portion of my portfolio in cryptocurrencies which is a role and is a very volatile asset. I believe that my portfolio is very safe and because I seek to pulverize my assets a lot. I have fixed income and variable income which brings a little more volatility but I look for very reliable companies so it is certainly low risk.

**Speaker 1:** How long have you been active in the stock market for?

**Speaker 2:** In Total 3 years but as I said in Variable income 1 year.

**Speaker 1:** Can you describe what you look for in a company before deciding to invest or not?

**Speaker 2:** Currently, I am looking for this stability, sustainability, in the sense of continuity. If the company is going to continue, if it has continuity of operations, if it has prospects for Results and profit.

**Speaker 1:** When choosing companies for investing, is a differential for you if this company adopts sustainable practices?

**Speaker 2:** So, to be honest, when choosing the company, no. When choosing, I evaluate profitability and profit much more.

**Speaker 1:** Are you currently investing in any company that has sustainable policies?

**Speaker 2:** Yes, from my portfolio, which I'm sure applies to sustainable issues here in Brazil, there are four companies that I invest that apply. Petrobrás is one of the companies that was already the target of my study in college and even in the sustainable issue I also had the opportunity to study their social sustainability balances a lot.

**Speaker 1:** How many companies?

**Speaker 2:** 4 companies

**Speaker 1:** For how long have you considered sustainability as a factor in your decision-making process?

**Speaker 2:** not specific for including but for excluding from my portfolio I take into consideration sustainability since I started to invest 3 years ago.

**Speaker 1:** If they dropped their commitment to sustainable practices how likely would you be to divest?

**Speaker 2:** I consider that I would value everything, the return I am having, the profit and what was the impact that this abandonment of sustainable practices had on society and on me in general.

**Speaker 1:** Is it important for you that a company shows their sustainability rather than just telling you?

**Speaker 2:** Yes, I believe that formalizing always brings more veracity to the data and the opportunity to check the information

**Speaker 1:** What do you look for in terms of proof of a company's sustainability?

**Speaker 2:** To be honest, it is not yet part of my culture to evaluate companies' sustainable reports, because culturally speaking, I think that in Brazil we do not adopt this practice of informing in the sense of sustainable information. But then I think that the burden in Brazil is much more due to the media or some disaster that actually happened and we can see the sustainable impacts and then, yes, take some decision in the sense of this variation of inclusion or exclusion or not whether the company is adopting or not sustainable practices.

**Speaker 1:** Would you consider investing in a company that has sustainable policies even though the return on invest might be reduced?

**Speaker 2:** Yes, of course, even for us to provide and promote these practices and for more companies to adopt even those that can bring more profits, because the ideal is both profit sustainability.

**Speaker 1:** What importance would you put on sustainability as a decision factor when deciding to invest or not? (0 till 10)

**Speaker 2:** I'm going to give a reasonable grade, I think it's about 5 today, precisely because of the issue of not evaluating it so much yet, but I believe that the new generations are making this subject become much more relevant and that in the future it will even be a competitive advantage for the companies.

### **[Explanation of the definition of Environmental Accounting]**

**Speaker 1:** Is a company that has policies to demonstrate in their financial statement - sustainable accounting be considered more attractive for investment? (such as ways to

reduce or demonstrate environmental costs and ways to increase revenue by recycling and utilizing from the waste?)

**Speaker 2:** I believe that is a competitive differential. Probably not something that has a considerable impact on investors' decisions, but I believe it is a competitive differential.

**Speaker 1:** Is transparency in a company's Environmental, social and Economic sustainability important to you?

**Speaker 2:** Yes, I think transparency is good in all aspects. Especially when we are going to talk about investment or application of resources. We are trusting on them and despite waiting for the financial result, we also want social and environmental responsibility. It is a very important aspect, although it is not what makes people make decisions today.

**Speaker 1:** Considering the current situation in the world do you think that having environmental costs demonstrated in a company financial statement a positive change once it could be more transparent with their shareholders?

**Speaker 2:** Yes definitely. Sometimes we cannot escape reality and the reality is that today the world is suffering a lot from the impacts that were caused by our greed and the incessant search for economic growth by capitalist aspects so for sure this is a very relevant aspect to consider.

**Speaker 1:** Would it be important for you if a company provided these details in their annual statements?

**Speaker 2:** Yes, it would definitely bring more pride to invest in a company.

**Speaker 1:** If a company was certified by a standards board for using sustainable accounting practices would that make it more or less likely for you to invest?

**Speaker 2:** More likely, because it would bring effectiveness to such transparency. Because it's one thing for you to publish the data, it's another thing to have an external body that is impartial, assessing whether it is really being applied by the company and its data and information are checked and transparent and bring reality, that's for sure.

**Speaker 1:** If a company was not certified by a standards board would that impact your likelihood to invest?

**Speaker 2:** Yes it would, because I would definitely give priority to the Certificate ones.

**Speaker 1:** Do you think that a sustainability score should be given to companies based on their performance in relation to environmental, economic, and social performance?

**Speaker 2:** I believe that for sure an index that would bring metrics of companies that most apply sustainable practices, this initiative would certainly bring more transparency to the process and those that are leading could certainly use this as a marketing issue today to sell themselves in the financial market.

But it has to be something that should be more adopted and more questioned even by us (investors) culturally, because today in Brazil we have an index in the B3 of companies that apply and are sustainable, but I was even seeing it for account of this questionnaire, of this survey, on this Thursday to see if it did not exist and in Brazil today there are already more than 400 companies on the stock exchange among only 50 that adopt this. So, it's not something that's still used as a competitive differentiator, but it could become if we culturally demanded that too.

**Speaker 1:** Perfect, Thank you so much Filipe for your time and help.

*Interview 6\_ 30/08/2021 – 21:00 - Mark Sullivan*

**00:00:00 Speaker 1:** Hello, Mark, how are you?

**00:00:02 Speaker 2:** I am very good, thank you and yourself.

**00:00:04 Speaker 1:** I'm very good. Thank you. First of all, I just would like to thank you for coming today, and I would like to ask you if is that OK to record our conversation?

**00:00:14 Speaker 2:** Yeah, absolutely.

**00:00:15 Speaker 1:** OK, is that OK if I start the interview now, please?

**00:00:15 Speaker 2:** OK,

**00:00:17 Speaker 1:** So, the first question is, can you please tell me your full name and current job position?

**00:00:24 Speaker 2:** My name is Mark Sullivan. And my job position is consultant.

**00:00:30 Speaker 1:** Okay, perfect. Are you currently investing at the moment?

**00:00:24 Speaker 2:** Yes, I am.

**00:00:27 Speaker 1:** How would you describe your current portfolio?

**00:00:40 Speaker 2:** My current portfolio I suppose is diverse, very risk where, risk averse. A lot of my investments are long term investments. I've got a few short-term investments in terms of crypto currencies and things like that. But no, the majority of my investments are long term.

**00:01:05 Speaker 1:** Okay, perfect. And for how long have you been active in the stock market for?

**00:01:12 Speaker 2:** Kind of since I started working so long, plus four or five years.

**00:01:19 Speaker 1:** OK. And can you describe what you look for in a company before deciding to invest or not?

**00:01:29 Speaker 2:** Well, obviously, the price of the shares first one. I suppose when I'm investing, I look. Historically, what sort of return on investment, I can guess. And then what I might expect to receive in the future. Then I suppose other things I look for, you know, because environmentally conscious, so I'd make sure that anyone I invest in, for example, I don't invest in oil. I wouldn't put any of my money into oil companies or natural gas. And I'd even say it came to my attention that the amount of damage that crypto currencies is having on the environment because people are wasting energy to mine them. So, I've significantly started to reduce my stake in those.

**00:02:25 Speaker 1:** OK, so when choosing companies for investing is a differential for you if a company adopts in a sustainable practice.

**00:02:35 Speaker 2:** Oh, absolutely. And as I said, I won't invest in anything like oil or gas or companies who I think are, you know, evil, so I won't put my money in Amazon or any

of the big tech firms that I think are exploiting people or to see too much influence on discourse on people's lives.

**00:02:58 Speaker 1:** OK, perfect. Are you currently investing in a company that has sustainable policies?

**00:03:05 Speaker 2:** Yeah. If you invest in a few works of investment, one company that does electric vehicles, not Tesla, they're a fleet of electric fans and trucks like that. But you always make sure that whoever I invest in at least tries to show that they've got a good conscience and limit what sort of damage they do to, you know, the environment and public. And it just wouldn't sit right with me if I was pumping money into a company this. Was doing bad stuff.

**00:03:44 Speaker 1:** OK, so for how long have you considered sustainability as a factor in your decision-making process?

**00:03:57 Speaker 2:** So, it wouldn't have been a big factor at the start of my investment. But I knew say at the start I wouldn't have put money in bad stuff like, you know, was one of the factors of the oil industry, things like tobacco. You know, my conscience would have said, don't do that. But the longer open investing for the savvier I become and more concerned with where I'm putting my money. You I'm not Warren Buffett. You know, I can't make huge changes. But, you know, I'd like to think that. A company I'm investing in will at least try to help some of the world's problems.

**00:04:37 Speaker 1:** OK, so for the next a question. If they drop their commitment to sustainable practices, how likely would you be to divest?

**00:04:50 Speaker 2:** Very likely to divest. Yeah. So, like if a company started, let's say, for example, if I saw a bad news story about a company, I would probably try to divest. Just as long as I didn't lose too much money. Mm hmm. Well, I tried to do it straight away, but over time, I'd know that even if they started promising, like, oh, we're going to do better. Mm hmm. You know, I'd want to see proof of that.

**00:05:19 Speaker 1:** OK. So just a line with your answer. Is it important for you that a company shows their sustainable achievements rather than just telling you? And when I mean shows is by. Like. In a in their in their financial statements or whatever, like something more formal than informal.

**00:05:43 Speaker 2:** So is this round, you know, what do my what's called due diligence this my.

**00:05:50 Speaker 1:** Yes.

**00:05:52 Speaker 2:** OK. Yeah, no, it is very important. So obviously, first of all, my bigger investment, some investments are done off reputation alone. Mm hmm. So if I see forums and stuff like that to say, hey, this company is a good look at all the good they're doing. That might be one way I decided. Investment. Reputation. Yeah. And then further companies, you know, I would jump into their, you know, their financial statements and things like that to see. See what substance there is to their claims, like, for example, I think Tesla is way overpriced. I think it's all marketing and. And, you know, you can see that by actually what they're doing. But for other companies that go in and I try to figure out, OK, let's say, for example, they say they they say they make electric vehicles. Well, I want to know where they get their. They're raw materials from books, I don't want stuff coming from conflict zones. I don't want exploitation of human voice, which is quite difficult because a lot of the important changes, if I see that they're doing exploitation, like, say, Nestlé and stuff like that, I'll go in and I'll see that they pretend for some of their stuff that

they are for some of the stuff they say they are fair trade. But I know that if I dig a little deeper, you know, things like slavery comes up and they're not in the financial statements, but I know that they do engage in stuff like that. So, yeah, to answer your question, yes, it's very important. I like when companies show me their homework.

**00:07:38 Speaker 1:** OK, so what do you look for in terms of proof of a company's sustainability?

**00:07:47 Speaker 2:** Am. Yeah, kind of just what I was saying there. So I like to look for. You know, tangible proof. So, for example. If an agency or a non-governmental thing came out and said this, hey, this person's doing bad stuff, you know, I'd take that into consideration. I'd go into their books not to obviously don't have full access. But, you know, I'd like to know if someone's doing something good like fair trade or if they are, you know, not engaging in slave labor, if they have equitable pay structures, if they're not, you know. What if they're paying everyone equitably that there's not immense greed in the company if they have commitments to, you know, their employees in terms of making sure that they're not discriminated against for their race or their sexuality or anything like that.

**00:08:56 Speaker 1:** Would you consider investing in a company that has sustainable policies, even though the return on investment might be reduced?

**00:09:05 Speaker 2:** Yes. Now, so, again, I wouldn't invest in a company that is very bad at principle, morals. But I would attribute some level of discount if I thought a company was legitimately doing good for the world.

I was just going to say, but I need to see proof of that more than just take their word for I want to see evidence of them doing good for the world.

**00:09:50 Speaker 1:** OK. Yeah. What importance would you put on sustainability as a decision factor when deciding to invest or not in a scale of zero to 10?

**00:10:03 Speaker 2:** I presume 10, meaning like the most important. Yes And so return on investments, in the end Still the most important, What I'm saying, it's the most important one, but I also wouldn't invest in a company that is very bad. So maybe it's not the most important. Yeah, but am. If I was to give a number out of 10. Maybe a seven, you know, at the end of the day, I don't want to lose my money. Yeah. Yeah. Both. Yeah.

Yeah. If I can get a balanced approach to it to as long as I can. Do good and not lose all my money. And I'm willing to take sustainability into account.

**00:10:54 Speaker 1:** OK, and. Just one second. So, is a company that has policies to demonstrate in their financial statement sustainable accounting be considered more attractive for investment?

**00:11:00 Speaker 1:** So, the environmental accounting is the practice of measure, analyse and report the whole social, economic and environmental impacts of a company. So basically, this is separated in their financial statements. There is only a section for environmental accounting where we'll be there. I'll do the costs like environmental costs, profit with environment, everything related to environmental. So, in line with that. Is a company that has policies to demonstrate in their financial statements sustainability accounting be considered more attractive for investment?

**00:12:14 Speaker 2:** Yeah, well, I suppose it kind of comes down to when I'm making any investment, if you make the information clear and accessible. You know, that's important to me.

00:12:27 Speaker 1: Okay. I have three questions here, and I'm going to turn them in just one. So is transparency in a company's environmental and environmental, social and. Economic sustainability important to you?

00:12:47 Speaker 2: Yeah, very.

00:12:49 Speaker 1: Ok. Considering the current situation in the world, do you think that having environmental costs demonstrated in a company's financial statement a positive change once it could be more transparent with the shareholders?

00:13:08 Speaker 2: Yeah, I think it's positive because like. When I do look into a company, so it's very easy to see them talking about how good their products are or what they produce. But oftentimes I have to go to third party sources and things like that to get some of the stuff they might not want me to know about. So, I would prefer if it was easy for me to find out all the information. And that includes anything to do with, you know, being green.

00:13:41 Speaker 1: So, I would say that it would be important for you if a company provides details in their annual statements.

00:13:49 Speaker 2: Oh, I'd love them to.

00:13:51 Speaker 1: OK. So, if a company was certified by a Standard Board for using sustainable accounting practices, would that make it more or less likely for you to invest?

00:13:59 Speaker 2: more likely.

00:14:00 Speaker 1: Okay. And if a company was not certified by a standard board, would that impact your likelihood to invest?

00:14:16 Speaker 2: In short, yes, it would negatively impact potentially. Well, it would be as a step one, because I would then have to do lots of work myself. Yes. And maybe they don't provide me with the information I want, and then maybe I get tired and I don't invest.

00:14:36 Speaker 1: So just last question. Do you think that is sustainability's score should be given to companies based on their performance in relation to environmental, economic and social performance?

00:14:50 Speaker 2: Yes, if it was done by a third party, and I don't think so, certification would work on those because everyone would be a plus if it was up to themselves.

00:15:03 Speaker 1: OK. That's all. Thank you so much.

00:15:06 Speaker 2: No worries. Anytime.

# Appendix B – Survey

1) Are you a certified accountant?	2) If no, are you currently working or have any experience in any accounting?	3) Sustainability accounting is the practice of measuring, analyzing and reporting a company's social and environmental impacts. Have you ever heard about sustainable accounting?	4) Have you encountered instances where any of the following factors of environmental sustainability is recorded or reported by a company?						5) Have you encountered instances where any of the following factors of social sustainability is recorded or reported by a company?						6) Have you encountered instances where any of the following factors of Economic sustainability is recorded or reported by a company?					7) Do you believe that recording environmental costs on the financial statements could be a competitive advantage for a company which seeks	8) How often have your accounting clients asked about sustainable accounting?	9) Do you think that adopting sustainable accounting practices should be a legal obligation for companies?	10) Would you advise your clients to adopt sustainable accounting practices if it could be demonstrated to provide better efficiency, transparency and profitability?	11) What are your feelings regarding sustainable accounting. Do you believe that is something that companies should consider implementing?	12) Do you think that a sustainability score should be given to companies based on their performance in relation to environmental, economic, and social, and
			a. Energy consumption or conservation	b. Water consumption or conservation	c. Greenhouse gases produced	d. Hazardous waste created	e. Recycling of company's waste	f. Impact of packaging	a. Investment in local community	b. Demonstration of safe working conditions	c. Diversity & inclusion efforts	d. Influence of public policies	e. Respect for Human Rights	f. Use of fair-trade materials in production	a. Accountability and transparency of leadership	b. Adherence to corporate governance	c. Stakeholder value (ROI)	d. Market/industry performance	e. Financial performance						
Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Once	Yes	Yes	Yes	Yes
Yes	Yes	Yes	No	No	No	No	No	Yes	No	Yes	No	No	No	No	Yes	Yes	Yes	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	No	Yes	No	Yes
Yes	Yes	No	Yes	No	No	No	Yes	No	No	No	Yes	No	Yes	No	Yes	Yes	No	No	No	Yes	Once	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	No	Yes	No	No	No	No	No	Yes	No	No	No	No	No	No	No	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	Yes	No	Yes	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	More than five times	Yes	Yes	Yes	Yes
No	Yes	Maybe	No	No	No	No	No	Yes	No	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	No	No	Yes	Yes	No	No	Yes	No	Yes	No	Yes	No	No	No	Yes	No	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	No	No	No	No	No	No	Yes	No	Yes	No	No	No	No	Yes	No	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	No	Yes	No	No	No	No	No	No	No	No	Yes	No	No	Yes	No	No	No	No	Yes	They have never asked	No	No	No	No
No	Yes	Maybe	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Once	Yes	Yes	Yes	Yes
No	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	No	Yes	Maybe	Maybe
No	Yes	No	Yes	No	No	No	Yes	No	Yes	No	No	No	No	No	Yes	No	No	Yes	Yes	Yes	Once	Yes	Yes	Yes	Maybe
No	Yes	No	Yes	Yes	No	No	No	No	No	No	No	No	No	Yes	Yes	No	No	No	No	Yes	They have never asked	Maybe	Yes	Yes	Maybe
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	More than five times	Yes	Yes	Yes	Yes
No	Yes	No	No	No	No	No	Yes	No	No	Yes	No	No	No	No	No	No	Yes	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	No	No	No	No	No	No	Yes	No	No	No	No	No	No	Yes	No	No	No	No	No	One to five times	Yes	No	Yes	Yes
No	Yes	Maybe	Yes	No	No	No	No	Yes	No	No	No	No	No	Yes	Yes	No	No	No	No	Maybe	More than five times	Maybe	Maybe	Maybe	Maybe
No	Yes	Maybe	No	Yes	No	No	No	No	No	Yes	No	No	No	No	No	No	Yes	No	No	Yes	They have never asked	Maybe	Yes	Yes	Yes
No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	One to five times	Yes	Yes	Yes	Yes
Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Maybe	They have never asked	No	Yes	Yes	Yes
Yes	Yes	Maybe	No	No	No	No	No	No	No	Yes	No	No	No	No	Yes	No	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Maybe	Yes	Yes	Maybe
Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes	No	No	Yes	Yes	Maybe	They have never asked	Maybe	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	Maybe	No	No	No	Yes	No	No	No	No	No	Yes	No	No	No	No	Yes	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	Maybe	No	No	No	No	Yes	No	No	No	No	Yes	No	No	No	No	Yes	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Once	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Maybe	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Once	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Once	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Once	Yes	Yes	Yes	Yes
No	Yes	Maybe	Yes	Yes	No	No	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Maybe	Yes	Yes	Maybe
No	Yes	Maybe	Yes	Yes	No	No	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Once	Yes	Yes	Yes	Yes
No	Yes	Maybe	Yes	Yes	No	No	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Maybe	Yes	Yes	Maybe

Yes	ssed my	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Maybe	Yes	Yes	Yes
Yes	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	No	Yes	Once	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	No	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Once	Maybe	Yes	Maybe	Maybe
Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	No	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	More than five times	Yes	Yes	Yes	Yes
Yes	Yes	Maybe	Yes	No	No	No	No	Yes	Yes	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	They have never asked	Maybe	Yes	Yes	Maybe
Yes	ou conta	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No	No	No	No	Yes	Yes	No	Yes	Yes	They have never asked	Maybe	Yes	Maybe	Maybe
Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	NA	Maybe	No	No	No	No	No	No	No	No	Yes	No	No	No	Yes	No	Yes	Yes	Yes	They have never asked	Maybe	Yes	Yes	Yes
No	Yes	No	No	Yes	No	No	No	No	No	No	No	No	No	No	Yes	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	No	No	No	No	No	No	Yes	Yes	No	Yes	No	Yes	No	Yes	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	Maybe	No	No	Yes	No	Yes	Yes	Yes	No	No	No	Yes	No	Yes	No	No	Yes	Maybe	They have never asked	Maybe	Yes	Yes	Maybe
No	Yes	Yes	Yes	No	No	Yes	Yes	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Maybe	Yes	Yes	Yes
Yes	?	Yes	Yes	No	No	No	No	No	No	Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	One to five times	Yes	Yes	Yes	Yes
No	Yes	No	No	No	No	Yes	No	No	No	No	No	No	Yes	No	Yes	No	No	No	Yes	Once	Yes	No	Yes	Yes
Yes	Yes	Yes	Yes	No	No	No	No	Yes	No	No	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	One to five times	Maybe	Yes	Yes	Maybe
Yes	Yes	Yes	No	No	No	No	Yes	Yes	No	No	No	No	Yes	No	No	No	No	No	Yes	They have never asked	Maybe	Maybe	Yes	Maybe
No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	Maybe	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	No	No	No	Yes	No	No	Yes	Maybe	They have never asked	Yes	Yes	Maybe	Yes
Yes	Yes	Maybe	No	No	No	No	Yes	No	Yes	No	Yes	No	No	Yes	Yes	No	Yes	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Maybe	Yes	Yes	Maybe
Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	More than five times	Yes	Yes	Maybe	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	More than five times	Yes	Yes	Yes	Yes
No	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes	No	No	Yes	No	Yes	No	No	Yes	Yes	Once	Yes	Yes	Yes	Yes
No	Yes	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	No	Yes	No	No	No	Yes	Yes	No	No	No	No	Yes	No	Yes	No	Yes	No	Yes	Maybe	They have never asked	Maybe	Yes	Maybe
No	Yes	No	Yes	No	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes	No	Yes	No	Yes	Maybe	They have never asked	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	Yes	No	No	No	No	Yes	No	Yes	No	No	No	No	No	No	No	No	No	Yes	One to five times	Yes	Yes	Yes	Yes
No	Yes	Yes	Yes	No	No	Yes	No	Yes	No	Yes	No	Yes	No	No	Yes	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
No	No	No	Yes	No	No	No	Yes	No	Yes	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Once	Maybe	Yes	Yes	No
No	No	No	No	No	No	No	No	Yes	No	No	No	No	No	No	No	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
Yes	Yes	Yes	No	Yes	No	No	No	No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	They have never asked	Yes	Maybe	Yes	Yes
No	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
No	No	No	Yes	Yes	Yes	No	No	No	Yes	Yes	No	No	Yes	No	Yes	No	Yes	Yes	Yes	They have never asked	Yes	Yes	Yes	No
No	No	No	Yes	No	No	No	No	No	Yes	No	No	No	No	No	No	No	No	No	Yes	They have never asked	No	Yes	Yes	Yes
No	Yes	No	Yes	No	No	No	No	No	No	No	No	No	Yes	No	Yes	No	No	No	Yes	They have never asked	Yes	Yes	Yes	Yes
No	Yes	No	No	No	No	No	Yes	Yes	Yes	Yes	No	No	No	Yes	No	Yes	No	No	Yes	They have never asked	Yes	Maybe	Yes	Yes
No	Yes	Yes	No	No	No	No	No	No	Yes	No	No	No	No	No	No	No	No	No	Yes	Once	Yes	Yes	Yes	Yes
No	Yes	Yes	Yes	No	No	No	Yes	No	Yes	Yes	No	Yes	Yes	No	No	No	No	Yes	Yes	Once	Yes	Yes	Yes	Yes
Yes	Yes	Yes	No	No	No	No	No	Yes	No	No	No	No	Yes	No	No	No	Yes	Yes	Yes	They have never asked	Yes	Yes	Yes	Yes

## Appendix C - Coding the data

### Coding the Interview

#### \* Int. 1 - Balthazar

- ROI + security for Inv ✓
- doesn't know SUS
- divest if unus. proven ✓
- 3/10 (factor) ✓
- Prev. not worried about SUS. ✓
- Awareness changed his mind
- he wants now ✓
- wants SUS score ✓

#### \* Int. 2 - Luiz

- high risk tolerance ✓
- doesn't know SUS ✓
- ROI - TURNAROUND ✓
- Cares about ROI / wants short-term gain ✓
- would consider lower ROI
- 0/0 but 10/0 if deciding factor is SUS ✓
- wants transparency, SCORE
- would que. if a Co. has no Cert.

#### \* Int. 3 - Aethwe

- long-term, doesn't like risk
- cares about sus, has sus inv.
- sus is a factor
- sceptical of MK wants actions proof ✓
- wants figures, reports, certifica. ✓
- ROI > sus ✓
- + transparency + scores ✓
- 6/10 for sus ✓

#### \* Int. 4 - Anderson

- diversified PM - long-term
- ROI > sus but sus is a factor ✓
- Invest in sus. comp.
- Like to divest if not sus
- + transparency + score + cert.
- he doesn't think that in the current MK there is a need to choose btw ROI and sus.
- CO + Attractive if published SA.
- wants publis. DM (SA)
- Not cert. likely to divest.
- 8/10 for sus. ✓

#### \* Intervi. 5 - Filipe.

- dives. - long-term/short-term
- continuity - stability
- ROI > sus, has sus investm. ✓
- to include sus IS NOT A FACT
- to exc. It is
- If dropped he would do A revatution
- wants cert + score + formal approach ✓

- 5/10 for sus ✓
- FS. sus IS A competitive dif but NOT a big impact on investors decision.

## \* Int - 6 MARK.

- diverse - mostly long-term ✓
- ROI > SUS ✓
- SUS is a dif when investing
- currently inv. CO sus policy
- Recently core about sus ✓
- Drop practices = likely to divest ✓
- Imp. shows SA than just inf. way —
- wants reports + transpare
- 7/10 for sus ✓
- wants on the F.S. ✓
- No certification = negative

## Themes — Patterns

### \* ① ROI still is the biggest factor \* (orange)

- ROI #1
- scores for SUS
- 

### \* ② Transparency \* (green)

### \* ③ Long-term vs Short-term SA Avg... \* (orange)