Renewable and Sustainable Energy Reviews 55 (2016) 1336–1341

Contents lists available at ScienceDirect

Renewable and Sustainable Energy Reviews

journal homepage: www.elsevier.com/locate/rser

Corporate sustainability disclosure in annual reports: Evidence from UAE banks: Islamic versus conventional

Haitham Nobanee [1], Nejla Ellili [2]

College of Business Administration, Abu Dhabi University, P.O. Box 59911, Abu Dhabi, United Arab Emirates

ARTICLE INFO

Available online 6 August 2015

Keywords:
Corporate sustainability disclosure
Corporate social responsibility
Banking performance
Annual reports
Panel data

ABSTRACT

The objective of this paper is to measure the degree of the corporate sustainability disclosure using annual data for listed banks in the UAE financial markets during the period 2003–2013. The results show that the overall level of sustainability disclosure based on sustainability reporting for banks listed in the UAE financial markets is at a low level. The results also show that the degree of the corporate sustainability disclosure of the conventional banks is higher than the Islamic banks. In addition, our empirical results reveal that the sustainability disclosure affects significantly and positively the banking performance of the conventional banks while no significant effect on the Islamic banks performance.

Contents

1. Introduction

In the recent years, the corporate sustainability and social responsibility have attracted a significant attention from the academics and researchers. It has been long established that the corporate financial performance is associated, among others, to the sustainable corporate economic development [2,11,37,36,27,8,31]. Indeed, all the companies are advised to voluntarily disclose all the matters regarding their sustainability to enhance the accountability and transparency of their operations and help the investors in their proper valuation.

The increase in the awareness of sustainability matters has been reflected in the creation of non-governmental organizations. The Global Reporting Initiative (GRI) is the most widespread sustainability disclosure framework and reporting to provide the shareholders with sustainability reports. The GRI guidelines released in 2000 empower the companies to measure and disclose their economic, environmental, social and governance performance. Indeed, the companies must monitor their sustainability compliance to shape their strategies, improve their performance and help the investors to understand the association between the corporate financial performance and the sustainability indicatives. In an effort to improve the quality of the sustainability report, the International Integrated Reporting Council (IIRC) released in 2013 its framework setting a standard to the companies on how they can report effectively their financial and non-financial information.

E-mail addresses: nobanee@gmail.com (H. Nobanee), nejla.ellili@adu.ac.ae (N. Ellili).
[1] Tel.: +971 2 5015709; fax: +971 2 5860184.
[2] Tel.: +971 2 5015720; fax: +971 2 5860184.

http://dx.doi.org/10.1016/j.rser.2015.07.084
1364-0321/

In the management literature, there are many studies confirming the benefits of the corporate sustainability and social responsibility. In these studies, several benefit measures have been used and they comprise, among others, the creation of the financial value [19], the attraction of long-term capital [38,14], the increase of the transparency to stakeholders [30], the enhancement of the corporate reputation [25], the motivation of staff [20], the improvement of the management system [9], the encouragement of the innovation [18] and the continuous improvement [13].

In the context of the emerging market economies located in the Gulf region, there are research works about the corporate sustainability and social responsibility such as Nasser and Baker in Jordan, Al-Khater and Naser [3], Naser and Baker [28] and AlNaimi et al. [4] in Qatar, Katsioloudes and Brodtkorb [24] and Rettab et al. [31] in UAE, Rizk et al. [32] in Egypt, Mandurah et al. [26] in Saudi Arabia and Khasharmeh and Suwaidan [23] in the Gulf Cooperation Council (GCC).

Nasser and Baker [28] use a questionnaire survey to explore the perceptions of many user groups (public accountants, academics, finance managers…) regarding the corporate social responsibility (CSR) reporting in Jordan. Their study reveals that the user groups like to receive CSR informations while the companies do not provide them. In the same spirit of research, Al-Khater and Naser [3] investigate also the perceptions of different users regarding the CSR in Qatar and find most users like to find the CSR informations in the annual reports. Naser and Baker [28] find that the CSR determinants are associated with the firm size, business risk, and corporate growth. In the extension of the previous studies, AlNaimi et al. [4] explore the Qatar exchange. In their paper, they use the content analysis covering several areas of the CSR reporting such as environment, human resources, product development and community involvement. Their findings reveal that most companies provide evidences about the CSR as narrative disclosure in the chairman's report while there is the absence about environment and energy by the industry sector. Katsioloudes and Brodtkorb [24] highlight the CSR in UAE companies and find that most companies comply with the UAE environmental laws while Rettab et al. [31] highlight the positive association between the CSR and the corporate financial performance. Rizk et al. [32] construct 34-items disclosure index including environmental, energy, human resources, customer, and community involvement and find that the disclosure varies significantly across the corporations. In their exploratory study of the CSR status among Saudi companies, Mandurah et al. [26] find that the managers are aware of the CSR importance and have a positive attitude toward it. In broader context and rather than focusing on one Gulf country, Khasharmeh and Suwaidan [23] evaluate the CSR reporting of the companies listed on the GCC financial markets and find that, on average, the company's disclosure is low.

Although our paper has some similarities with the latter studies regarding the corporate sustainability in the emerging market economies but it goes further to examine the impact of the sustainability disclosure on the banking performance by differentiating between the Islamic and the conventional banks. This is a very attractive research opportunity because in UAE, there is an emphasis on forcing all the listed companies to comply with the sustainability disclosure guidelines.

Against this background, we conduct this research with the aim of exploring the extent of the corporate sustainability disclosure and then examining its impact on the banking performance by differentiating between the Islamic and conventional banks. The three main research questions in the paper are as following. First, to what extent the UAE listed banks disclose their sustainability matters? Second, is there any significant difference between Islamic and conventional banks in the sustainability disclosure? Third, is there any significant impact of the sustainability disclosure on the banking performance?

Our findings will provide the banks with an insight about the extent of their sustainability disclosure and help the central bank develop the corporate sustainability framework and sustainability disclosure guidelines to improve the transparency and reduce the information asymmetries.

To our knowledge, there is no single research conducted in UAE about the impact of the corporate sustainability disclosure on the banking performance nor about the differentiation between Islamic and conventional banks, therefore, our research provides the first insight regarding this topic.

The robust dynamic panel data regressions are used to analyze the impact of the degree of corporate sustainability on the banking performance. The empirical results show that the degree of corporate sustainability disclosure of conventional banks is higher than the Islamic banks. In addition, the degree of corporate sustainability disclosure is significantly and positively related to the banking performance for conventional banks listed on the UAE financial markets. These results help the banks to optimally disclose their informations and improve the quality of their sustainability disclosures.

The remainder of the paper is organized as follows: Section 2 contains the literature review on the corporate sustainability disclosures as well as on the relationship between the corporate sustainability and the corporate performance. Section 3 focuses on data and the empirical methodology. Section 4 presents the empirical results and finally the conclusion in Section 5.

2. Literature review

The corporate sustainability disclosure is defined as "public reports by companies to provide internal and external stakeholders with a picture of the corporate position and activities on economic, environmental and social dimensions. In short such reports attempt to describe the company's contribution toward sustainable development" [40]. The economic, environmental and social dimensions are the major measures of the corporate sustainability quality because they determine the extent of the companies in complying with the good disclosure practices.

In the management literature, there are theories explaining the importance of the corporate sustainability disclosure. In fact, the stakeholder theory presents the duties and the responsibilities that the company has toward the stakeholders. According to this theory, the company has to report all its sustainability matters in order to maintain a sustainable relationship with its stakeholder [16]. The legitimacy theory assumes an implicit contact between the company and the society [17] and in order to demonstrate the fulfilment of its part in the contract and compliance with the value systems of the society, the company must report its economic, environmental and social issues.

In the empirical literature, there are few studies exploring the sustainability disclosure status in the banks [21,22,34,15,35,5,1].

In the examination of the sustainability disclosure status in the commercial banks, Khan et al. [21] investigate the CSR reporting of 20 Bangladeshi commercial banks (18 private and 2 governmental). The results of their analysis indicate that most of the banks disclose more qualitative information than quantitative. With regard to the location of the social disclosure in the annual reports, they find that all the social matters are reported either in the chair's statement/directors' report or in the notes. In the same spirit of research and context, Khan [22] investigates the CSR reporting information of 30 Bangladeshi public banks during the year 2007–2008 and explores the potential effects of corporate governance elements on CSR disclosure. By considering 60 CSR reporting items in constructing a disclosure index, his empirical results show, although voluntary, overall CSR disclosure is moderate and has a score of 34.06%. In addition, his analysis results demonstrate that two corporate governance elements (non-executive directors and the existence of the foreign nationalities) have a significant and positive impact on the CSR disclosure. In a different context, Akano and Yaya [1] investigate the various types of sustainability informations disclosed in the annual reports of 13 commercial banks in Nigeria as well as the disclosure determinant factors. Their descriptive data analysis indicates that the banks disclose more information on human resources and community involvement while the information on environmental, product quality and consumer relations is very low. In addition, their finding shows that the total assets, the gross earning and the number of branches are positively associated with the sustainability disclosure.

With regard to the sustainability disclosure status in the Islamic banks, Sofyan and Harahap [34] explore the existence of any discrepancy between the corporate social activities in the annual reports of 7 Islamic banks and the CSR disclosure index during 2006 in 7 countries, namely: Bahrain, Bangladesh, Indonesia, Malaysia, Saudi Arabia, Kuwait and United Arab Emirates. The results of their content analysis reveal that the Islamic banks are not consistent in reporting their CSR information. In the Gulf region, Aribi and Gao [5] examine the influence of Islam on CSR disclosure in the annual reports of 21 Islamic banks and focus in their examination on the narrative reporting. The results of their content analysis reveal that the Islamic banks disclose moderately their CSR and Islam related information. In addition, they find that the CSR is in line with the Islam principles and the CSR disclosure is mainly a confirmation of the bank's compliance with the Islam principles and ethics. The largest part of this disclosure is the reports of Shari'ah Supervisory Board. In addition, other Islam related information is reported such as Zakah and charity donation and free interest loan along with information about philanthropy, employees and community. In a broader context, Farook et al. [14] examine the determinants of Islamic banks' social disclosure during 2007 for 47 Islamic banks in 14 countries, namely: Bahrain, Bangladesh, Egypt, Iran, Jordan, Kuwait, Malaysia, Pakistan, Qatar, Saudi Arabia, Sudan, Turkey, United Arab Emirates and Yemen. By constructing a disclosure index of 32 items, their results show that the existence of the Shari'ah board members with cross-memberships results in a greater compliance with the Islamic laws and principles and hence a higher degree of CSR disclosure.

In the comparison between the Islamic and conventional banks, the study of Sobhani et al. [35] is the only research that explores the extent of sustainability disclosures in the annual reports and websites of 29 banks listed on Bangladeshi Stock Exchanges by differentiating between Islamic and conventional banks. In their paper, they measure the economic, environmental and social disclosures and they find that the Islamic banks disclose more sustainability informations in both annual reports and websites than the conventional banks.

In UAE, the government wants to ensure a sustainable development and growth and taking account of the environment preservation and the achievement of a perfect balance between economic and social development. To raise the sustainability awareness among the companies, the Abu Dhabi Sustainability Group (ADSG) was founded in 2008. Its mission is to promote the transparency by encouraging the companies to report on their sustainability performance using international best practices. Every year, the ADSG issues reports reviewing the companies' management of sustainability issues and also providing recommendations for future sustainability reports. Among the 2010's report recommendations[3], we can cite the following related to the sustainability reports:

1- Improve the quality of the sustainability reports. In 2009, the companies produced for the first time their sustainability report and the content should be improved in scope and depth;
2- Coordinate data collection and measurement methods. The companies should agree on the collection and measurement of the 10 key criteria within the GRI;
3- Close reporting gaps by focusing on data completeness. The companies should report three criteria which are greenhouse gas emission, water use by source and the health and safety statistics for employees.
4- Confirm the achievement of high commitment and not using only the sustainability reports as a marketing tool.

In our sustainability disclosure index, we include mainly the energy and environmental disclosures items because of two reasons. First, in the recent years and due to the climate change and global warming, there is a higher demand from the stakeholders and financial analysts for the environmental disclosure. Second, there is a rapid growing emphasis in UAE on challenging the climate change and adopting a Green Economy. In fact, the UAE is developing many initiatives to diversify its energy sources by the integration of the environmental and ecological dimensions. In this context, we examine whether the UAE banks, as a vital sector, follow the UAE government initiatives and disclose their environmental and energy information in their annual reports.

3. Data and methodology

3.1. Data

The objective of our paper is to explore the extent of the corporate sustainability disclosures in the annual reports and examine its impact on the bank's performance. The data was hand collected through the content analysis of the annual reports of all banks listed in the UAE financial markets. The annual and audited financial reports of the years 2003–2013 were obtained from the banks' websites. The final sample includes a panel of 16 banks listed on both Dubai financial market and Abu Dhabi securities market.

3.2. Hypotheses

In our first hypothesis, we will explore the extent of the corporate sustainable for the UAE listed banks. We assume that the sustainability disclosure is determined by the environmental disclosure and more particularly by the energy and natural environment disclosures. We construct a disclosure index based on the energy and natural environment items determined by Sobhani et al. [35].

In our second hypothesis, we will test the association between the sustainability disclosure and the banking performance by differentiating between the Islamic and conventional banks.

3.3. Variables choice

In our model, we measure the sustainability disclosure by both the energy disclosure items (Table 1) and the natural environment disclosure items (Table 2). Table 3 shows the banking performance measure.

Table 1 shows 9 items of the energy disclosure. Each item is a binary variable; it takes 1 if it is disclosed in the annual reports, 0 otherwise.

Table 2 shows 15 items of the natural environment disclosure. Each item is a binary variable; it takes 1 if it is disclosed in the annual reports, 0 otherwise.

Table 3 shows the banking performance measured by the growth of short term deposits.

3.4. Methodology

To explore the extent of the corporate sustainability for the UAE listed banks, we employ the single sample *t*-test that tests the null hypothesis stating that the corporate sustainability mean is above or

[3] https://www.adsg.ae/Documents/ADSG%20Report.pdf

Table 1
Energy disclosure.

No.	Items of disclosure	Description
1	Energy saving policies	Strategies, current actions, and future plans for managing impacts on biodiversity
2	Investing in energy projects	Development of energy-efficient products and services
3	Investing in renewable energy	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives
4	Information concerning energy consumption	Direct and indirect energy consumption by primary energy source
5	Energy use efficiency	Energy saved due to conservation and efficiency improvements
6	Initiatives to reduce energy consumption	Initiatives to reduce indirect energy consumption and reductions achieved
7	Awareness building concerning energy consumption	Procedures related to training and raising awareness in relation to the society aspects
8	Energy saving results	Reduced amount of energy needed to carry out the same processes or tasks (e.g., partial outsourcing of production)
9	Other energy disclosures	Any other energy disclosures not fitting the items above

Table 2
Natural environment disclosure.

No.	Items of disclosure	Description
1	Corporate environmental policies	Process that determines the potential environmental impacts
2	Necessity to protect environment	Awareness about the necessity to protect the environment
3	Compliance with environmental regulations	Conformity with the environmental rules, standards and requirements
4	Investing in waste recycling/treatment plant	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation
5	Initiatives for water supply and sanitation	Special financial products to support the investment in water supply and sanitation
6	Environmental financing such as ecological credits	Financing methods and mechanisms in support of environmental programs and policies that protect human health and the environment
7	Low interest rate for green projects	Credits at low interest rate to finance renewable energy projects
8	Aiding environmentally friendly programs	Support of businesses adopting environment-friendly practices
9	Steps in ensuring pollution free environment	Efforts of the bank in reducing the pollution out of its buildings and operations
10	Undertaking tree plantation/ afforestation programs	Funding tree plantation and afforestation programs
11	City beautification programs	Beautification of the bank of the exterior appearances of its buildings.
12	Initiatives to reduce greenhouse gas emission	Total direct and indirect greenhouse gas emissions by weight. Other relevant indirect greenhouse gas emissions by weight and initiatives to reduce greenhouse gas emissions and reductions achieved
13	Environmental cost saving operations	Environmental cost saving and eco-efficiency such as reductions in waste costs for the bank
14	Issues concerning climate change	Dedication of one section on climate change or global warming
15	Other environmental disclosures	Any other environmental disclosures not fitting the items above

Table 3
Banking performance.

Variable	Notation	Measure
Growth of short-term deposits	GTD	(Deposits in current period − deposits in the previous period)/deposits in the previous period

equal to 50% (the value of the index is ranging between 0% and 100%. The value of 0% means no reporting sustainability disclosed by the bank while the value of 100% means a full sustainability disclosure).

To test the association between the sustainability disclosure and the banking performance, we use a robust Generalized Method of Moment System Estimation (GMM) applied to dynamic panel data. Our dependent variable is measured from the content analysis of the annual reports and it is desirable to use a robust dynamic specification to control the possibility of unobserved province-specific effects correlated with the regressors in our model [29]. De Grauwe and Skudenly [12] mention that the lagged dependent variable in the dynamic panel data estimation catches up some of the effects of omitted variables varying over time, so applying this method helps to correct for the autocorrelation. The robust GMM applied in this study is proposed by Arellano and Bover [7] and Blundell and Bond [10] while the Monte Carlo estimations show that the estimators behave better than the GMM difference estimators proposed by Arellano and Bond [6] for both short sample period and variables persistent over time. Roodman [33] states that the Arellano–Bond estimators have one and two-steps variants and the reason is that the two-steps estimate of the standard errors tends to be severely downward biased. Therefore, the researchers apply the finite sample correction for the asymptotic variance of the two-step GMM estimator [39]. We have employed the Mann–Whitney test to examine whether the two bank systems have different characteristics such as leverage and size. The results show insignificant differences in size and significant differences in leverage of the two bank systems (conventional and Islamic). The above estimation approach leads to the following estimation equation where the leverage measured by total liabilities to equity is included as a control variable:

$$gdt_{it} = \alpha + \beta_1 gdt_{it_{-1}} + \beta_2 tle_{it_{-1}} + \beta_3 index_{it} + \varepsilon_{it} \quad (1)$$

In our model, the dependent variable and the independent variables are in the form of first difference:

Table 4
Levels of sustainability disclosure of UAE banks.

Mean	Overall sustainability	Natural environment	Energy environment
All Banks	.0258621	.0345912	.0162835
Conventional banks	.0301205	.0379747	.0198413
Islamic banks	.0151515	.0246914	.0069444

Descriptive statistics of extent sustainability disclosure of all banks, Islamic and conventional banks listed in the UAE financial markets during the period 2003–2013. The value of the index is ranging between 0% and 100%. The value of 0% means no reporting sustainability disclosed by the bank while the value of 100% means a full sustainability disclosure.

Table 5
Single sample *t*-test of sustainability disclosure Indices of UAE banks.

Single sample *t*-test	Overall sustainability	Natural environment	Energy environment
Coefficient	−83.5743**	−54.2275**	−1.2e+02**

The results of single sample *t*-test of sustainability disclosure Indices of UAE banks during the period 2003–2013.
*Significant at 95% confidence level.
** Significant at 99% confidence level.

Table 6
Results of robust dynamic panel-data two- steps GMM system estimation of all banks.

Dependent: growth in Interest income	Coefficients	Robust standard error	Z Statistics
Lag dependent variable	−.5369075**	.1169363	−4.59
Independent: overall Index	17.07913	19.48459	.88
Independent: leverage	−1.428736*	.6482352	−2.20

The results of robust dynamic panel-data two- steps GMM system estimation for the relationship between the degree of sustainability disclosure on growth of deposits of all banks listed in the UAE financial markets during the period 2003–2013. Dependent variable and independent variables are in the form of first difference.
* Significant at 95% confidence level.
** Significant at 99% confidence level.

Table 7
Results of robust dynamic panel-data two- steps GMM system estimation of conventional banks.

Dependent: growth in interest income	Coefficients	Robust standard error	Z Statistics
Lag dependent variable	−.7369071*	.3354419	−2.20
Independent: overall Index	43.03149 *	19.33988	2.23
Independent: leverage	−2.300248**	.6190406	−3.72

The results of robust dynamic panel-data two- steps GMM system estimation for the relationship between the degree of sustainability disclosure on growth of deposits of conventional banks listed in the UAE financial markets during the period 2003–2013. Dependent variable and independent variables are in the form of first difference.
* Significant at 95% confidence level.
** Significant at 99% confidence level.

- (gdt_{it}) is the first difference of the growth of short term deposits;
- $(gdt_{it_{-1}})$ is the differenced lagged dependent variable;
- $(tle_{it_{-1}})$ is a control variable of leverage measured by the first difference of total liabilities to equity; and

Table 8
Results of robust dynamic panel-data two- steps GMM system estimation of Islamic banks.

Dependent: growth in interest income	Coefficients	Robust standard error	Z Statistics
Lag dependent variable	−19.90202	17.04124	−1.17
Independent: overall Index	57.78558	55.0181	1.05
Independent: leverage	−11.06588	9.715592	−1.14

The results of robust dynamic panel-data two- steps GMM system estimation for the relationship between the degree of sustainability disclosure on growth of deposits of Islamic banks listed in the UAE financial markets during the period 2003–2013. Dependent variable and independent variables are in the form of first difference.

- $(index_{it})$ is the first difference of the degree of sustainability disclosure measured by both the energy disclosure items and the natural environment disclosure items.

4. Empirical results

In this section we present our descriptive and estimation results concerning levels of sustainability disclosure of UAE banks. Table 4 reports the means of the whole sustainability reporting index for all banks, and also separately for conventional banks and Islamic banks. With regard to the whole sustainability reporting index for all banks, the average level is 2.6%, the natural environment disclosure level for all banks is 3.04% and the energy environment disclosure level for all banks is 1.6%. The level of the whole sustainability reporting index of conventional banks is 3.0%, the natural environment disclosure level of conventional banks is 3.8% and the energy environment disclosure level of conventional banks is 2.0%. The overall sustainability disclosure of Islamic banks is 1.5% while the natural environment and energy disclosures are respectively 2.4% and .7%. The results indicate that the whole sustainability disclosure of UAE banks is low and the Islamic banks have lower sustainability disclosure level than the conventional banks. In addition, we have also examined if there is any significant difference in the overall sustainability disclosure between conventional and Islamic banks using *t*-test. The results show that the mean of the overall sustainability disclosure of conventional banks is significantly higher than the mean of the overall sustainability disclosure of Islamic banks at 90% confidence level.

The results of the single sample *t*-test reported in Table 5 support the descriptive statistics reported in Table 4 and confirm that the levels of the overall sustainability reporting index for all banks, conventional banks and Islamic banks are significantly lower than the average index of 50%.

Tables 6–8 report the results of the robust dynamic panel-data two- steps GMM system estimation of the relationship between the degree of sustainability reporting on growth of deposits of all banks, conventional banks and Islamic banks. The results of the lagged dependent variable for all banks and conventional banks indicate that the bank's growth of deposits in the previous period has a significant and negative effect on the bank's growth of deposits in the current period. The overall sustainability disclosure index has shown insignificant and positive effect on banks' growth of deposits for all banks and Islamic banks and positive and significant effect on banks' growth of deposits for conventional banks. These findings confirm that increasing the degree of sustainability disclosure improves the growth of deposits for UAE conventional banks.

5. Conclusion

In this study, we explore the extent of the sustainably disclosure and examine its impact on the banking performance using annual data for listed banks on the UAE financial markets during the period

2003–2013. The results show a low degree of sustainability disclosure for all banks and the index average is 2.6%, in addition, we find that the degree of the sustainability disclosure for the conventional banks is higher than the Islamic banks. This result suggests that the Islamic banks face less disclosure pressure because of their compliance with the Islamic principles and ethics. In addition, our findings indicate that the conventional banks have higher leverage and more financial constraints than the Islamic banks, and so more responsive to the demands of stakeholders and government for the environmental disclosures. Actually, the stakeholders and the government are concerned not only about the risk management matters but also the ethical consideration and innovation in terms of adoption of environmental policies and actions against the climate change. The compliance of the banks with the best practices of the sustainability disclosure and the integration of the environmental and ecological dimensions in the annual reports indicate the assurance of the banks in increasing the transparency and reducing the information asymmetry and costs related to the debt financing.

With regard to the performance, the overall sustainability disclosure index has shown a significant and positive effect on banks' growth of deposits for conventional banks, positive and insignificant effect for all banks, and negative and insignificant effect for Islamic banks. These findings confirm that increasing the degree of sustainability disclosure improves the growth of deposits for UAE banks.

Our findings will provide the banks with an insight about the extent of their sustainability disclosure and help the central bank develop the corporate sustainability framework and sustainability disclosure guidelines to improve the transparency and reduce the information asymmetries.

One of the limitations of this paper is that the disclosure index was measured only from the content analysis of the annual reports and one among its possible extensions is to include the other disclosures channels such as the press releases and the banks' websites that could help the banks to enhance their compliance with the good practices of the sustainability disclosure and increase their transparency. In addition, we can extend this paper by examining the relevant factors that may affect the disclosure level of the banks such as the size, the governmental ownership and the board of directors.

References

[1] Akano AY, Yaya AO. Corporate social responsibility activities disclosure by commercial banks in Nigeria. Eur J Bus Manag 2013;5:173–85.
[2] Alexander GJ, Buchholz RA. Corporate social responsibility and stock market performance. Acad Manag J 1978;21:179–486.
[3] Al-Khater K, Naser K. Users' perception of corporate social responsibility and accountability: evidence from an emerging economy. Manag Audit J 2003;18:538–48.
[4] AlNaimi HA, Hossain M, Momin MA. Corporate social responsibility reporting in Qatar: a descriptive analysis. Soc Responsib J 2012;8:511–26.
[5] Aribi ZA, Gao SS. Narrative disclosure of corporate social responsibility in Islamic financial institutions. Manag Audit J 2012;27:199–222.
[6] Arellano M, Bond S. Some test of specification of panel data: Monte Carlo evidence and an application to employment equations. Rev Econ Stud 1991;58:277–97.
[7] Arellano M, Bover O. Another look at the instrumental variable estimation of error component models. J Econom 1995;68:29–51.
[8] Arx UV, Ziegler A. The Effects of CSR on Stock Performance: New Evidence for USA and Europe. Economic Working Paper Series. Zurich: Swiss Federal Institute of Technology Zurich; 2008.
[9] Bonnie FD, Huang S. Achieving sustainability through attention to human resource factors in environmental management. Int J Oper Prod Manag 2001;21:1539–52.
[10] Blundell R, Bond S. Initial conditions and moment restrictions in dynamic panel data models. J Econom 1998;87:115–43.
[11] Cochran PL, Wood RA. Corporate social responsibility and financial performance. Acad Manag J 1984;27(1):42–56.
[12] De Grauwe P, Skudenly F. The impact of EMU on trade flows. Weltwirtshaftliches Arch 2000;139:381–402.
[13] De Ron AJ. Sustainable production: the ultimate result of a continuous improvement. Int J Prod Econ 1998;56–57:99–110.
[14] Ernst, Young LLP. The value of sustainability reporting. Center for corporate citizenship; 2013.
[15] Farook S, Hassan MK, Lanis R. Determinants of corporate social responsibility disclosure: the case of Islamic banks. J Islam Account Bus Res 2011;2:114–41.
[16] Freeman RE. The politics of stakeholder theory. Bus Ethics Q 1994;4 (4):409–21.
[17] Gray R, Kouhy R, Lavers S. Corporate social and environmental reporting: a review and a longitudinal study of UK disclosure. Account Audit Account J 1995;8:47–77.
[18] Hansen EG, Grosse-Dunker F, Reichwald R. Sustainability innovation cube – a framework to evaluate sustainability-oriented. Int J Innov Manag 2009;13:683–713.
[19] Hart SL, Milstein MB. Creating sustainable value. Acad Manag Exec 2003;17:56–69.
[20] Jabbour CJC, Santos FCA. Relationships between human resources dimensions and environmental management in companies: proposal of a model. J Clean Prod 2008;16:51–8.
[21] Khan MHZ, Halabi AK, Samy M. Corporate social responsibility (CSR) reporting: a study of selected banking companies in Bangladesh. Soc Responsib J 2009;5:344–57.
[22] Khan MHZ. The effects of corporate governance elements on corporate social responsibility (CSR) Reporting. Int J Law Manag 2010;52:82–109.
[23] Khasharmeh H, Suwaidan MS. Social responsibility disclosure in corporate annual reports: evidence from the Gulf Cooperation Council countries. Int J Account Audit Perform Eval 2010;6:327–45.
[24] Katsioloudes M, Brodtkorb T. Corporate social responsibility: an exploratory study in the United Arab Emirates. SAM Adv Manag J 2007;72:9–20.
[25] Lourenço IC, Callen JL, Branco MC, Curto JD. The value relevance of reputation for sustainability leadership. J Bus Ethics 2014;119:17–28.
[26] Mandurah S, Khatib J, Al-Sabaan S. Corporate social responsibility among Saudi Arabian firms: an empirical investigation. J Appl Bus Res 2012;28:1049–57.
[27] McWilliams A, Siegel D. Corporate social responsibility: a theory of firm's perspective. Acad Manag Rev 2001;26:117–27.
[28] Naser A, Baker NA. Empirical evidence on corporate social responsibility reporting and accountability in developing countries: the case of Jordan. Adv Int Account 1999;12:193–226.
[29] Nobanee H, Abdullatif M, AlHajjar M. Cash conversion cycle and firm's performance of Japanese firms. Asian Rev Account 2011;19:147–56.
[30] Perrini F, Tencati A. Sustainability and stakeholder management: the need for new corporate performance evaluation and reporting systems. Bus Strategy Environ 2006;15:296–308.
[31] Rettab B, Brik AB, Mellahi K. A study of management perceptions of impact of corporate social responsibility on organizational performance in emerging economic: a case of Dubai. J Bus Ethics 2009;89:317–90.
[32] Rizk R, Dixon R, Woodhead A. Corporate social and environmental reporting: a survey of disclosure practices in Egypt. Soc Responsib J 2008;4:306–23.
[33] Roodman D. XTABOND2: Stata Module to Extend xtabond Dynamic Panel Data Estimator. Washington: Center of Global Development; 2005.
[34] Sofyan AH, Harahap S. Exploring corporate social responsibility disclosure: the case of Islamic banks. Int J Islam Middle East Financ Manag 2010;3:203–27.
[35] Sobhani FA, Amran A, Zainuddin Y. Sustainability disclosure in annual reports and websites: a study of the banking industry in Bangladesh. J Clean Prod 2012;23:75–85.
[36] Stanwick PA, Stanwick SD. The relationship between corporate social performance, organization size, financial performance and environmental performance: an empirical examination. J Bus Ethics 1998;17:195–204.
[37] Waddock SA, Graves SB. The corporate social performance – financial performance link. Strateg Manag J 1997;18:303–19.
[38] Wehinger G. Fostering long-term investment and economic growth. Summary of a high-level OECD financial roundtable. OECD J: Financ Mark Trends 2011.
[39] Windmeijer F. A finite sample correction for the variance of linear efficient two-step GMM estimators. J Econom 2005;126:25–51.
[40] World Business Council for Sustainable Development. Sustainable Development Reporting: striking the Balance. Geneva: World Business Council for Sustainable Development; 2002.