Financial Effects of Corporate Social Responsibility and Information Transparency (the research for the pharmaceutical industry)

Alexander Khorin

Doctor of economic sciences, professor of the "Accounting, analysis and audit" Department

ORCID

E-mail: anhorin@mail.ru

Lomonosov Moscow State University, Economic faculty, Moscow, Russia

Andrey Bulgakov

PhD in economics, Senior Researcher

ORCID

E-mail: z3900207@mail.ru

Lomonosov Moscow State University, Economic faculty, Moscow, Russia

Arseniy Krikunov

PhD student of the "Accounting, analysis and audit" Department

ORCID

E-mail: s.krikunof@yandex.ru

Lomonosov Moscow State University, Economic faculty, Moscow, Russia

Financial Effects of Corporate Social Responsibility and Information Transparency (the research for the pharmaceutical industry)

Abstract

The article is devoted to research and evaluation of the usefulness of information disclosed in reports of pharmaceutical companies. The main purpose of the study was to assess the transparency of the metric, inter-firm comparability of non-financial reporting data, and to identify the usefulness of the disclosed information for international pharmaceutical companies. The methodological basis of the research is the harmonization of the requirements of business practice standards with financial reporting standards. The paper uses the method of proportional-typical selection of stable structured performance indicators of companies. The authors were not limited to information requests from investors in one country, individual companies, or priority areas of interests of interested and involved persons. The study approach implemented for the multilateral consideration of the views of stakeholders. The research database was compiled by reports of five companies, such as Johnson & Johnson, Novartis AG, Merck KGaA, Sanofi, and Takeda Pharmaceutical Co. Ltd. from the Global Reporting Initiative Database and financial reports of 20 pharmaceutical companies of the Access to Medicine Index System in 2014 and 2016. The result of the study is that the total position of 5 companies moved up from the 8th to the 6th rank. The result of the ratio of growth rates of their total revenue, capitalization and long-term capital is positive when compared with the growth rate of the quality of their disclosure of non-financial indicators. Such relationship is the strongest in attracting long-term capital, followed by growth in capitalization and it is the smallest in growth in revenue. The format of the minimum required set of harmonized indicators helps to increase the confidence of stakeholders in the financial and non-financial information of socially responsible companies. The novelty of the results obtained consists in using a metric expression of the quality of reporting indicators to assess their usefulness in the business practice of companies with a production profile. The results obtained in the course of the study allow us to make a generalized conclusion that useful information generated on the basis of harmonization of structured data from financial and non-financial statements contributes to increasing the level of business activity and its comprehensive performance of all parties involved in the company's affairs.

Keywords: non-financial reporting, corporate responsibility, information transparency, sustainable development, business practices harmonization

JEL: F610, G300, Q56

Social and ecological problems cause a heightened stir in the society because the assessment of building trust towards a company, loyal relationships between a company and its prospective customers (buyers), investors (including lenders) and partners should be beyond a purely financial measurement. Piecewise requirements and recommendations of IASB Board as regards generation of additional non-financial and nonmonetary information in its own platform do not satisfy the existing information requests. So, in September 2015 general public was scandalized by the facts reported by mass media which concerned overpollution of the environment by Volkswagen's (VW) cars from 2009 to 2015. Later it affected adversely the concern capitalization. As a result of the scandal the stakeholders urged to provide transparency of non-financial information along with financial one.

Against the background of the stakeholders' request for measuring the companies' impact on the planet applying a reliable and unified method, in the way their revenues are calculated at present, there are report forms of multiple and poorly harmonized voluntary non-financial standards beyond the bounds of financial information. Therein an increasingly greater number of decision makers from companies' management think it strategically important to pursue the concept of corporate social responsibility because the community demands more and more to establish fair and ethical business practices.

In his full-fledged analysis of business practices of international and American companies and organizations Barukh Lev [1] distinguishes the key sectors for which the traditional accounting and financial statements model no longer meets the requirements of stakeholders. Apart from the financial sphere and mass media sector the author identified so called capital-intensive segments: pharmaceutical, oil and gas, chemical and power-producing industry. It is the companies with a significant part of capital tangible assets on the books which release great amounts of hazardous substances into the atmosphere, water, soil.

A great number of papers offer conclusions on positive interrelation of meeting CSR by a company and customer behavior which is shown by the customers' loyalty. Stakeholders' loyalty to socially responsible business is confirmed by researches in the banking sector [2; 3], retail business [4], mass media and entertainment [5; 6] and insurance [7]. But we found a drawback in such studies for the abovementioned capital-intensive economic sectors the companies of which should make commitment to CSR principles a priority managerial task.

Therein one of the problems is how one can convey in a short and brief way valuable information on its activity to all concerned parties using communication channels and platforms which they prefer at reasonable expense [8]. A lot of organizations do not disclose certain key performance indicators as, for example, the International Integrated Reporting Council (IIRC). However, the standard reads that quantitative and monetized indicators "are extremely beneficial when explaining how an organization generates value, uses various types of capital and influences them" [9, p. 10].

In 2014 the European Union passed Directive 2014/95/EC in implementation of which Guidelines on Non-Financial Reporting 2017/C215/01 (Methodology for Reporting Non-Financial Information) were published for the reports made by company management. In accordance with the Guidelines companies should disclose the business practices formats they followed because it improves transparency and comparability. But although the Guidelines mention and *offer the companies to base themselves upon* KPI they virtually offer to the companies of various global economy sectors no way of selecting KPI and no instrument for quality assessment of non-financial information.

In Russia the Concept of Development of Public Non-Financial Reporting in Russia indicates the relevance of making a list of performance indicators. The Concept contemplates "defining the list of minimum essential basic indicators for disclosure of information on the performance results of a company in the economic, environmental and social spheres…" [10, p 13].

The research conducted by the pharmaceutical company Johnson & Johnson showed that implementation of CSR concept into business strategy of social and environmental aspects advances attaining financial goals of development [11]. Improvement of financial results is especially notable for the companies of business-to-customer sector which compete on the basis of their reputation and brand and at the same time use natural resources widely [12]. Cooperation with stakeholders and transparency in CSR are manifested in the companies' access to debt capital (reduction of its cost, easier access). Simplification of access to financing is accounted for reduction of information asymmetry due to activities' transparency and saving of agency costs for stakeholders due to increase of their involvement [13].

In our turn, we put forward the hypothesis that improvement of quality of disclosure of significant non-financial information by companies from capital-intensive sectors, which comply with corporate social responsibility requirements, causes increase of stakeholders' loyalty: buyers (as growth of the total market share of sales), lenders (who provide accessibility of long-term funding sources) and investors (who manifest their confidence in company's opportunities for growth through being active in making deals while shares' cost increases).

We think that it is possible to assess company's commitment to CSR concept and programs on the basis of measuring/metric approach. The following approaches are widely spread now:

- testing of the model of structural equation based on the assessment of perception by stakeholders' groups of companies' social responsibility. Aggregation of similar CSR researches makes it possible to make a checklist of CSR definitions where respondent's feedback ranges within a 7-point Likert-type scale [2];

- assessment of reputation, for example, review of corporate reputation by Fortune Magazine [14]. The assessment is made by industry sector analyzers and people with knowledge of the matter who prepare ratings for companies. Therein the magazine does not disclose assessment for all aspects presenting just an average rating - Fortune's MAC Rating in the range of 1 to 10 points;

- use of independent ratings, for example, responsible investment indexes: FTSE4Good Index, the Dow Jones Sustainability Indices (DJSI), MSCI KLD 400 Social Index, Calvert Social Index etc. [15; 16];

- direct data collection from company reports, published materials, interview with the management and its quantitative (availability of indicators, parameters) and qualitative analysis (data ranking) [17; 18].

In our paper we develop the last-mentioned approach finding out financial effects of expanded non-financial information disclosures. In the study of six largest (according to revenues) global pharmaceutical companies [17] the authors relied just on interviews with managers conducting only the quantitative analysis of commitment to CSR programs. At the same time the research [18] of non-financial reports of international pharmaceutical companies covers presence of KPI from the Global Reporting Initiative (GRI) as well as qualitative analysis of the degree of their disclosure. But the criteria of company selection are not transparent, the authors have not substantiated the number of KPI and the applied ranking system is falling behind similar systems [19] which have been elaborated more thoroughly.

In Russia some authors also have their requirements to building of the company indicators system, that is: data should not be collected by means of complicated, expensive and labour-intensive work; a systemic approach is necessary to choose indicators; the number of indicators should be sufficient but, if possible, minimal, and all indicators should be transparent, independent and complementing each other [20]. Therein the indicators offered by the authors are, as a matter of fact, just the lines of social, environmental and economic development set by them without offering any certain metrics.

From the point of view of the quantitative analysis A.D.Sheremet developed an approximate content of the indicators of social and environmental conditions of business operations [21, p 7], pointing out that such system of indicators should be stated taking into consideration the specifics of the types of companies' business operations. In our opinion social and environmental indicators should

comprise companies' operating results instead of conditions; the indicators taken from provided standards of business practices, their interrelations instead of selected indicators alone.

We defined the organizations which offer measurable indicators of efficiency:

- Global Reporting Initiative [22; 23];

- Sustainability Accounting Standards Board [24];

- European Federation of Financial Analysts Societies [25];

- The Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting of the United Nations Conference on Trade and Development [26].

Here we list the main characteristic features of the abovementioned standards:

- GRI standards are a well-developed information platform represented as a set of KPI for all sectors of global economy;

- SASB standards were developed from the perspective of the investors' view of the format of non-financial reporting. We used KPI of SASB for the pharmaceutical industry;

- EFFAS standard was developed for listed companies and bond issuers. It inspires the capital market players to implement their KPI in their assessment models. We used KPI of EFFAS (version 3.0) for the pharmaceutical industry;

- UNCTAD facilitates investments, economic stability and sustainable development by means of encouraging the best practices of corporate transparency and accounting.

Applying the proportionally-typical selection for the purpose of ensuring the selection representativeness we offer a uniform set (table 1) of 15 significant performance indicators for the companies of the capital-intensive pharmaceutical industry (our numeration from 1E to 15S). We are not limited by stakeholders from one country, company or sphere of interest, we rather rely on the approach of multi-sided consideration of opinions of concerned parties (multi-stakeholder approach) with reference to which the four abovementioned standards were developed.

The indicators were added to the set if they were present simultaneously in two or more standards of the four ones mentioned above. We indicated them in short-hand form – from new GRI Standards which entered into force on July 1, 2018 and we found their exact matches to KPI of the previous standard GRI G4 (General Standard Disclosures).

Table 1. A set of key performance indicators using companies from the pharmaceutical industry as an example

№	GRI G4	Codes of harmonized standards	Name in accordance with GRI Standards
1E	EN2	301-2, HC0102-26	Share of materials which are recycled or reclaim waste materials

№	GRI G4	Codes of harmonized standards	Name in accordance with GRI Standards
2E	EN3	302-1, E01-01, HC0102-23	Power consumption within the organization
3E	EN8	303-1, E28-01, E28-02, E28-03, HC0102-24	Total amount of water taken in with breakdown according to sources
4E	EN15	305-1, E02-01	Direct GHG emissions (coverage area 1)
5E	EN16	305-2, E02-01	Indirect GHG emissions (coverage area 2)
6E	EN23	306-2, E06-01, HC0102-26	Overall amount of waste with breakdown according to types and disposal methods
7E	EN32	308-1,HC0102-30, V28-03, V28-04, V28-05, ISAR4	New suppliers assessed against ecologic criteria
8L	LA1	401-1,HC0102-14, HC0102-16, ISAR5, ISAR7, S01-01, S03-01	Share of new employees and staff turnover
9L	LA6	403-2, S04-03, S04-04, HC0102-17, HC0102-18, ISAR13	Types and frequency rate of industrial injuries, occupational health problems, lost workdays and workplace absence as well as number of fatalities related to work
10L	LA9	404-1, S02-02, HC0102-15, ISAR10	Average number of hours of training per year per one employee
11S	SO1	413-1, ISAR8,ISAR15, S08-03	Engagement with local communities, impact evaluation and development programs
12S	SO5	205-3,HC0102-27, ISAR16, V02-01	Proven acts of corruption and actions taken
13S	SO6	415-1, G01-01, ISAR14	Donations for political purposes
14S	SO8	419-1,HC0102-09,HC0102-22,V01-01, S05-02	Disregard of law and legislative instruments in the social and economic spheres
15S	SO9	414-1,HC0102-29, V28-03, V28-04, V28-05, ISAR4	New suppliers assessed against the criteria of social impact

Source: compiled by the authors

We offer practical implementation of the approach to ranking taking into consideration business practices of preparing non-financial reports (using energy companies as an example) as an instrument of handling non-financial information. Points are assigned as follows [19]: 0 points – the stated indicator is not shown, 1 point – there is a short mentioning of the indicator in the report; 2 points – the report presents valuable information expressed in figures; 3 points – the information is clear, there are diagrams and their analysis; 4 points – the issue is described completely.

Use of the mechanism of business practices standards harmonization and the data ranking instrument helps to appraise the obtained KPI set using pharmaceutical companies as an example. The database of our research comprises reports of sustainable development of com-panies from the rating system Access To Medicine Index (AMI) which describes the best practices of functioning of 20 most innovative pharmaceutical companies [27]. We considered reports of companies from AMI list for 2014 and 2016 where we used the following criteria:

- reports should be entered into a corresponding database [28];
- reports should be in accordance with GRI G4 Reporting Guidelines;
- reports should be made in English or Russian.

Russian pharmaceutical giants were not included in the lists of Access to Medicine Index. Though subsidiaries of some companies of the rating publish in Russia some KPI reports, they are Novo Nordisk AC from Denmark, Abbott Laboratories from America, Takeda Russia (Japan)

and Group Sanofi-Russia (France) while we are interested only in consolidated reports on KPI. The fact that we used GRI G4 report by Johnson & Johnson for 2015 is an assumption to some extent because since 2016 this company makes reports in accordance with GRI Standards. Five out of 20 companies declare openly (table 2) of their commitment to the principles of sustainable development and social responsibility.

So, there arises the question: are modern companies ready (in our case pharmaceutical ones) to disclose non-financial information which we indicate? We answer this question analyzing reports of five socially responsible pharmaceutical companies which published (unlike other 15 companies) KPI reports in GRI Database: Johnson & Johnson, Novartis AG, Merck KGaA, Sanofi, Takeda Pharmaceutical Co. Ltd.

Proceeding from the quantitative analysis of representation of KPI for the five abovementioned companies in 2016 on the basis of the developed unified set (table 1) we found out that the overwhelming majority of indicators are already mentioned frequently at present. The average frequency of their mentioning is 81.3%.

Figure 1. Representation of a set of key performance indicators for pharmaceutical companies for 2016, %
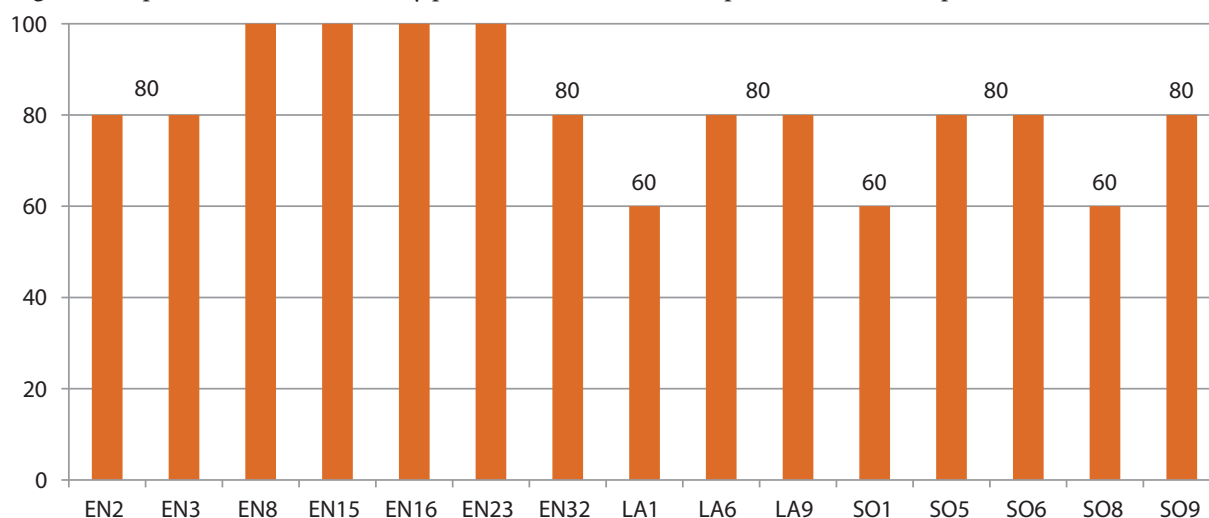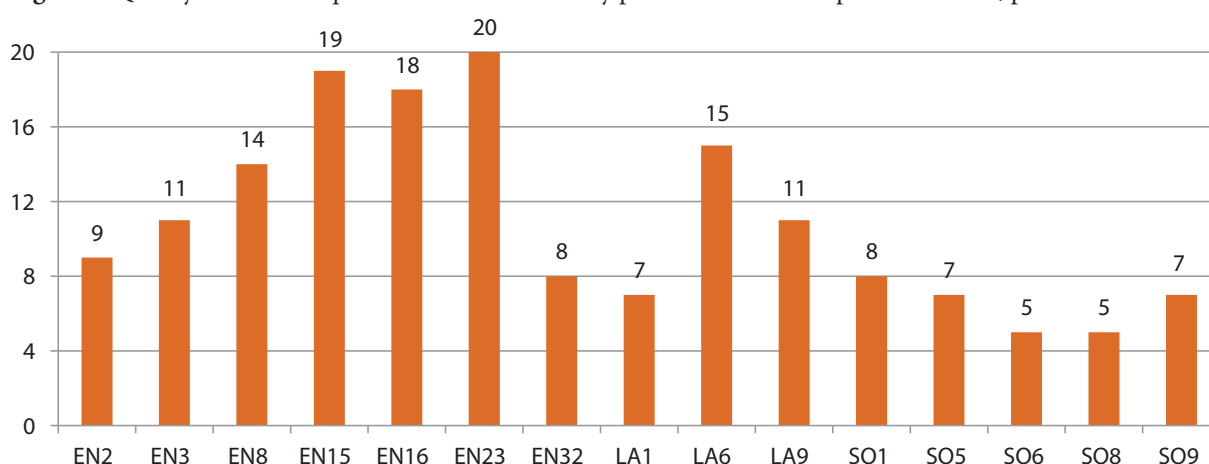

Source: compiled by the authors

Table 2. Quality of disclosed indicators by socially responsible companies in the pharmaceutical industry

№	Company Code	Johnson & Johnson 2014	2016	Novartis 2014	2016	Merck KGaA 2014	2016	Sanofi 2014	2016	Takeda 2014	2016	Total 2014	2016
Environmental indicators													
1E	EN2	1	1	0	2	0	4	3	0	0	2	4	9
2E	EN3	4	4	3	3	3	3	3	0	1	1	14	11
3E	EN8	2	2	3	3	0	4	3	2	3	3	11	14
4E	EN15	3	3	4	4	4	4	3	4	4	4	18	19
5E	EN16	3	3	3	3	4	4	3	4	4	4	17	18
6E	EN23	3	4	4	4	4	4	3	4	4	4	18	20
7E	EN32	1	2	0	0	2	2	3	2	0	2	6	8
Social indicators													
8L	LA1	2	2	2	2	3	3	3	0	3	0	13	7
9L	LA6	4	3	4	4	4	4	3	0	3	4	18	15
10L	LA9	1	1	2	4	4	4	3	2	0	0	10	11

№	Company	Johnson & Johnson		Novartis		Merck KGaA		Sanofi		Takeda		Total	
	Code	2014	2016	2014	2016	2014	2016	2014	2016	2014	2016	2014	2016
Indicators of corruption and engagement with local communities													
11S	SO1	1	1	2	3	0	0	3	4	0	0	6	8
12S	SO5	1	1	2	2	3	3	0	1	1	0	7	7
13S	SO6	2	1	2	2	1	1	0	1	0	0	5	5
14S	SO8	1	1	0	0	3	3	0	1	0	0	4	5
15S	SO9	1	1	0	0	2	2	0	2	0	2	3	7
Total		30	30	31	36	37	45	33	27	23	16	154	164

Source: compiled by the authors

Figure 2. Quality of disclosed performance indicators by pharmaceutical companies for 2016, points

Source: compiled by the authors

The compound quality improvement rate of disclosure by the five companies of performance indicators amounted to $(164/154 – 1)·100\% = 6.5\%$. Stakeholders who get an opportunity to access significant non-financial information disclosed by socially responsible companies will most probably be more ready to credit such companies and more tending to purchase their shares or products than those of informationally closed, "non-transparent" companies. It should be noted that since 2014 to 2016 the aggregate position of the five socially responsible companies (Johnson & Johnson, Novartis AG, Merck KGaA, Sanofi, Takeda) in the list of Access to Medicine changed moving from the 8th up to the 6th position.

Analysis of the compound quality of disclosure by the abovementioned five companies of each set of indicators developed by us (from 0 to 4 points) for 2016 is shown in fig. 2.

In spite of the high average value of representation of indicators of corruption combating – 76%, their quality of disclosure is the lowest in comparison with environ-mental and social aspects. Such undeveloped business practices of disclosure of corruption issues jeopardize sustainability of development and require closer attention of management. The obtained results indicate that the set of indicators for the pharmaceutical industry we offer is sought-after, it is included in the existing formats of non-financial reports, hence it is quite justifiable that it may be implemented in the existing systems of financial regulation.

Non-financial reports were in fact published by companies in GRI Database in the calendar year which follows the reporting year, therefore we are interested in financial results of companies' operation according to their accounting records as per IFRS as of the end of 2015 and 2017 (we used Bloomberg, Wall Street Journal and Investing.com databases). It should be noted that for Japanese companies the financial year ended on March 31, 2016 and March 31, 2018, respectively. Fewer than all companies in the rating are listed ones and fewer than all used long-term debts.

Table 3. Financial data of firms from Access to Medicine Index list, million U.S. dollars

AMI 2016	Company	AMI 2014	Revenue		Long-term credits and loans		Capitalization (average per year)	
			31.12. 2015	31.12. 2017	31.12. 2015	31.12. 2017	2015	2017
1	GlaxoSmithKline plc	1	35,260	40,763	22,517	19,262	101,510	91,740
2	Johnson & Johnson	3	70,074	76,450	12,857	30,675	277,880	341,890
3	Novartis AG	4	50,258	51,449	17,733	27,892	233,940	205,380
4	Merck KGaA	6	10,204	13,445	10,444	9,648	12,350	13,670
5	Merck & Co. Inc.	7	39,498	40,122	23,829	21,353	147,400	154,920
6	Sanofi	8	37,863	43,481	14,206	17,206	110,740	104,730
7	AstraZeneca plc.	15	24,708	22,465	20,795	21,012	87,340	78,430
8	Gilead Sciences Inc.	5	32,639	26,107	21,075	30,795	127,060	93,120
9	AbbVie Inc.	9	22,859	28,216	29,240	30,953	98,860	126,400
10	Novo Nordisk A/S	2	15,703	18,017	-	-	120,060	107,160
11	Eisai Co. Ltd.	11	4,867	5,646	1,808	1,480	15,610	16,990
12	Bayer AG	10	50,053	42,053	17,303	14,722	112,090	98,000
13	Bristol-Myers Squibb	13	16,560	20,776	6,550	6,975	104,360	97,810
14	Pfizer Inc.	16	48,851	52,546	28,740	33,538	188,560	204,320
15	Takeda Pharmaceutical	20	16,054	16,659	5,702	9,308	36,460	38,790
16	Boehringer Ingelheim	14	16,072	21,685	-	-	-	-
17	Eli Lilly & Co.	17	19,959	22,871	7,972	9,941	83,150	85,720
18	Daiichi Sankyo Co.	19	8,762	9,035	1,647	2,461	12,320	16,470
19	Roche Holding AG	12	48,049	54,695	17,062	16,250	192,230	168,910
20	Astellas Pharma Inc.	18	12,193	12,235	-	-	29,250	27,470
Total			580,486	618,716	259,480	303,471	2,091,170	2,071,920

Source: compiled by the authors

Results of analysis of financial data indicate that the aggregate share of the group of five socially responsible companies in the total revenue of all 200 companies for a corresponding financial year increased from 184,453/580,486·100% = 31.8% up to 201,484/618,716·100% = 32.6%. By means of similar calculations we showed growth of long-term borrowed funds in the total amount from 23.5 to 31.2% and growth of capitalization of these five companies in comparison to the 20 companies of the rating from 32.1 to 34%. The sensitivity coefficient introduced by us evaluates influence of non-financial performance indicators on financial and economic performance indicators:

$$T_{fin} = k_s \cdot \tau_{non\text{-}fin}.$$

This coefficient equals $k_s = 0.38$ when comparing the revenue growth rate of (32.6%/31.8% − 1)·100% = 2.5% to the rate of quality improvement of disclosure of non-financial indicators of (164 point/154 point − 1)·100% = 6.5%, $k_s = 5.0$ and $k_ц = 0.91$ when comparing with the rate of growth of long-term capital raising (32.8%) and capitalization (5.9%), respectively. The stronger the studied relation the greater the value of the sensitivity coefficient. The obtained results suggest that the most pronounced financial effects of stakeholders' loyalty to socially responsible business manifest themselves in providing by investors of long-term debt capital to companies and purchase of shares, and the least pronounced effect manifests itself in revenue growth.

The offered mechanism of business practices standard harmonization may be applied to any sector of global economy on the basis of proportionally-typical selection of key performance indicators of operations. Sufficiency of the set of indicators should be considered from the point of view of existence of inter-company comparability of enterprises of a certain industry sector. The format of a minimal set of indicators for such case facilitates the quantitative and qualitative analysis of non-financial information disclosures and makes it possible to assess loyalty of concerned parties to socially responsible business. Therein introduction of an obligatory mode of preparation of non-financial reports should provide for a better information disclosure which, together with calculation of non-financial indicators, may result in improvement of efficiency in the spheres which are most important for the shareholders, other concerned parties and the society in general.

References

1. Lev B., Gu F. The End of Accounting and The Path Forward for Investors and Managers. *Hoboken, New Jersey: John Wiley & Sons, Inc.* 2016; ISBN 9781119190998. - URL: http://lccn.loc.gov/2016007850.

2. Perez A., Rodriguez del Bosque I. Corporate social responsibility and customer loyalty: Exploring the role of identification, satisfaction and type of company. *Journal of Services Marketing.* 2015; 29(1):15-25. DOI: 10.1108/JSM-10-2013-0272.

3. Moisescu O.-I. From CSR to Customer Loyalty: An Empirical Investigation in the Retail Banking Industry of a Developing Country. *Scientific Annals of Economics and Business.* 2017; 64(3): 307-323. DOI: 10.1515/saeb-2017-0020.

4. Ailawadi K.L., Neslin S.A., Luan Y.J., Taylor G.A. Does retailer CSR enhance behavioral loyalty? A case for benefit segmentation. *International Journal of Research in Marketing.* 2014; 31(2): 156-167. DOI: 10.1016/j.ijresmar.2013.09.003.

5. Strenitzerová M., Gaňa J. Customer Satisfaction and Loyalty as a Part of Customer-Based Corporate Sustainability in the Sector of Mobile Communications Services. *Sustainability.* 2018; 10(5): 1-17. DOI: 10.3390/su10051657.

6. Shu-Ling Hsu. The Effects of Corporate Social Responsibility on Corporate Image, Customer Satisfaction and Customer Loyalty: An Empirical Study on the Telecommunication Industry. *The International Journal of Social Sciences and Humanities Invention.* 2018; 5(5): 4693-4703. DOI: 10.18535/ijsshi/v5i5.08.

7. Lee C.-Y. Does Corporate Social Responsibility Influence Customer Loyalty in the Taiwan Insurance Sector? The role of Corporate Image and Customer Satisfaction. *Journal of Promotion Management.* 2018; 0(0): 1-22. DOI: 10.1080/10496491.2018.1427651.

8. Rensberg R., Botha E. Is integrated reporting the silver bullet of financial communication? A stakeholder perspective from South Africa. *Public Relations Review.* 2014; 40: 144-152. DOI: 10.1016/j.pubrev.2013.11.016.

9. Integrated Reporting, (IR). The International Integrated Reporting Framework. 2014. - URL: http://integratedreporting.org/wp-content/uploads/2014/04/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK.docx_en-US_ru-RU.pdf.

10. On approval of the Concept of development of public non-financial reporting and action plan for its implementation. Order of the Government of Russian Federation No. 876-R of 5 May 2017.

11. Turcsanyi J., Sisaye S. Corporate Social Responsibility and its Link to Financial Performance: Application to Johnson & Johnson, a Pharmaceutical Company. *World Journal of Science, Technology and Sustainable Development.* 2013; 10(1): 4-18. DOI: 10.1108/20425941311313065.

12. Eccles R. G., Ioannou I., Serafeim G. The Impact of Corporate Sustainability on Organizational Processes and Performance. *Management Science.* 2017; 60(11): 2835-2857. DOI: 10.2139/ssrn.1964011.

13. Cheng B., Ioannou I., Serafeim G. Corporate social responsibility and access to finance. *Strategic Management Journal.* 2014; 35(1): 1-23. DOI: 10.2139/ssrn.1847085.

14. Sirsly T., Lvina E. From Doing Good to Looking Even Better: The Dynamics of CSR and Reputation. *Business & Society.* 2016; 0(0): 1–33. DOI: 10.1177/0007650315627996.

15. McWilliams A., Siegel D. Creating and capturing value: Strategic corporate social responsibility, resource-based theory, and sustainable competitive advantage. *Journal of Management.* 2011; 37(5): 1480-1495.

16. Slager R., Chapple W. Carrot and Stick? The role of financial market intermediaries in corporate social performance. *Business & Society.* 2016; 55(3): 398-426. DOI: 10.1177/0007650315575291.

17. Droppert H., Bennett S. Corporate social responsibility in global health: An exploratory study of multinational pharmaceutical firms. *Globalization and Health.* 2015; 11(1): 1-8. DOI: 10.1186/s12992-015-0100-5.

18. Salton R., Jones S. The corporate social responsibility reports of global pharmaceutical firms. *British Journal of Healthcare Management.* 2015; 21(1): 21-25.

19. Kalabikhina I.E., Krikunov A.S. A new method of assessing the quality of non-financial reporting (on the example of energy companies). *Vestnik of St. Petersburg University. Section: Management.* 2018; 3(17): 297-322.

20. Svetunkov S.G., Smolkin V.P. Approach to the assessment of sustainable development of industrial enterprises. *Actual problems of Economics and Law*. 2014; 2(30): 89-94.

21. Sheremet A.D. Comprehensive analysis of indicators of sustainable development of the enterprise. *Economic analysis: theory and practice*. 2014; 45(396): 2-10.

22. GRI G4. Guidance on reporting in the field of sustainable development G4. 2013. - URL: https://www.globalreporting.org/resourcelibrary/Russian-G4-Part-One.pdf.

23. GRI Standards. Global Reporting Initiative Standards. 2016. - URL: https://www.globalreporting.org/standards/.

24. SASB. Sustainability Accounting Standards Board. 2013. - URL: https://www.sasb.org/wp-content/uploads/2013/09/SASB_Standard_Pharma.pdf.

25. EFFAS KPIs for ESG. A guideline for the Integration of ESG into Financial Analysis and Corporate Valuation. 2010. - URL: http://www.effas-esg.com/wp-content/uploads/2011/07/KPIs_for_ESG_3_0_Final.pdf.

26. United Nations Conference on Trade and Development (UNCTAD). Guidance on Corporate Responsibility Indicators in Annual Reports (ISAR). United Nations, New York and Geneva. 2008. ISBN 978-92-1-112740-9. - URL: http://unctad.org/en/Docs/iteteb20076_en.pdf.

27. Access to Medicine Index Database. Overall Ranking. - URL: https://accesstomedicineindex.org/.

28. GRI Sustainability Disclosure Database. Sustainability Reports GRI G4. - URL: http://database.globalreporting.org/.