

CULTURAL RELEVANCE TO SUSTAINABLE REPORTING IN ASIAN AND EUROPEAN BANKING

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Abstract

The foundation of creating a corporate sustainability environment is sustainability reporting. This research study mainly focuses on how does cultural relevance impact sustainability reporting in Asian and European banks?. The sample consists of 25 banks from 20 banks in Asian countries and 10 banks in European countries. More specifically investigate whether Hofstede's cultural dimensions are associated with a bank's sustainable reporting and whether this association differs between banks from the Asian region and the European region. The GRI Financial Services Sector Supplement is used in this study to evaluate sustainability reporting. The dependent variable is Sustainable Reporting, which consists of economic indicators, environmental indicators, and social indicators. These variables are measured by the disclosure index of Sustainability reporting guidelines from GRI G4. The result shows that sustainability reporting in European is higher than in Asian. The premise that there are major discrepancies in sustainability reporting between the two regions is further supported by different test results. According to the study, cultural values could have a big influence on sustainable behaviors. The current analysis offers insightful information about the sustainable reporting methods of public and commercial banks operating in Asia and Europe. In terms of data, Hofstede dimensions were established and developed more than 30 years ago, and dimensional scores have not changed over time. The study only examines the type and range of sustainability disclosure made by commercial banks doing business in Asia and Europe. The current analysis also ignored sustainability's economic indicators. Future studies may address these problems. The banking industry and all other stakeholders should benefit from this study's insights on the challenges of implementing sustainable reporting in Europe and Asia.

Key Words: *Sustainable Reporting, Hofstede cultural dimension, National culture, GRI index*