


THE IMPACT OF GLOBAL REPORTING INITIATIVE QUALITY ON THE FIRM'S  
VALUE - EVIDENCE FROM THAILAND



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ABSTRACT

The subject of corporate sustainability reporting has seen fast development in the recent years as more firms are putting a prominent accentuation on getting sustainable. This research used the Global Reporting Initiative guidelines data as a scoring system to evaluate the quality of sustainability reporting and aims to find the impact of Global Reporting Initiative quality on firm value for Thai firms and see the difference of firm value between Global Reporting Initiative adapted firms and to those who don't publish sustainability report. In order to analyze the result 127 organization are taken who published sustainability reporting and 87 organizations who didn't published their sustainability report from a period of 2016 to 2019. Result shown that the firm value of GRI adapted firms is better than those who doesn't published their sustainability report.

*Keywords: Corporate sustainability reporting, Global Reporting Initiative quality, Firm value*

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background

The rapid spread of the environmental management makes the organization's more committed to create and fairly distributing value among its stakeholders as well as ameliorating social problems which gradually increase the corporate social responsibility (CSR). Stakeholders as well as society increasingly seeking disclosure of financial performance as well as environmental & social practice with an expectation of firm to be more responsible and play an advisable part in community rather than just linked themselves for traditional role of producing goods and services (cho, Chung & Young, 2019). Thus, the companies who are not following these expectations actively are being criticized by society and experience a low trust by them (Shin, 2001).

Trust of the society is very essential for a firm to experience sustainable growth (Cho, Chung & Young, 2018) as well as to maintain good relationship with stakeholders to ultimately improve their economic performance (Aupperle, 1985). With this expectation, organizations have a bigger challenge to maintain balance between economic growth and social responsibility (Gautam, 2016). According to Harvard professor Robert G Eccles, the company whose sustainability work is good are more profitable and remit more return to their stakeholders (Johansson, 2015). Firm uses this medium to separate themselves to others. They have been ample gaps to upgrade

people's quality of life that an authority finds difficult to amply (Jamali & Mirshak, 2017). From past few years, sustainability activities have been seen as a habitual obligations of firm and become an important business strategy. "The meaning of CSR is an activity towards sustainability that goes past the enthusiasm of the own organization and legitimate necessities" (Williams & Siegel, 2001). World Business council for sustainable development (2002) defines CSR as "the commitment of business to contribute to sustainable economic development, and to work with employees, their families, the local community and society at large to improve their quality of life" (Aggarwal, 2013). Whereas corporate sustainability reporting defined by European commission (2001) as a concept where firms incorporate social and environmental concern in their corporate procedures and a mode of communication to their investors on the voluntary basis".

Development of a nation are intertwined with environmental degradation. "The long tenure economic growth of developing nations is threatened by natural calamity" (Suttipun & Stanton, 2012). Asian development bank gave an argument on comparative advantage by stating "protecting an environment is never an odd with perusing monetary growth and development". The improvement of the Asian market could decide the fate of the planet. With the monetary development in Asia reduces the hunger and poverty, they destroyed the environment at a higher note. Developed countries has an alternative source of civic investment and revenue as well as security

towards society and environment. In Asia, Thailand is one of the fastest growing country as the government has endorsed it as one of the speedily industrializing nation of Asia (kuasirikun, 2005) even with faced the financial disaster in 1997. Since then, Thai economy is boosting with averaging 5 percentage every year (Trading Economics) building it one of the fastest rising economy in South East Asia.

Thailand's monetary growth managed by the growth in the manufacturing sector, created environmental glitches such as air and noise pollution with the addition of deforestation and land erosion (Warr, 2007). As a result, protest movement have begun and saw some triumphs with the specialists have been compelled to split down unlawful logging. Thus SET (stock exchange of Thailand) take an initiative in 1999 by promoting and building corporate governance practice into company's annual report (Ratanjongkol et al., 2006). The practice has a certain guidelines including social and environmental disclosure in yearly report. This revelation was voluntary and a limited amount of companies revealed information of social and environmental in their report. "A revised version of the principle of good corporate governance was published in 2006" (Lint, 2009) which clearly recommended that executive should lay strategy on environmental & social problems. This changed the voluntary reporting into a "comply or explain" approach. The new guidelines have been utilized by Thai listed companies since 2007 by SR Center under the initial name "Corporate Social Responsibility Institute" which was later known as "Social Responsibility Center".

While there has been significance endeavor to shape CSR responsiveness in Thailand through mediums, conferences and exercises, a constrained information of the worth and drill of sustainability reporting remains. Mostly it is the effort of multinational companies in Thailand to support their industry with SCR activities (Prayukvong & Olsen, 2009). As per the report of SET in 2018, a number of 79 companies are listed who actively practice and publish SCR report. This is only 10% of the total listed private companies on SET (788- total listed private companies). To develop interest of corporates into sustainability practice, SET has granted sustainability award in 2006 to recognize listed companies with outstanding performance in sustainability development and set them as a role model for others to follow. Robinett, 2013 said “Thailand is one of the strongest countries for corporate governance or ethical disclosure of firm practice and policies in Asia”. Many organizations in Thailand sees the positive growth by engaging in sustainability reporting accomplishments as it promotes reliance and generosity resulting in building higher reputation. Due to the national cultural background, Thai companies performing good deeds and involved in philanthropic actions. Proofs recommend that Thai firms are effectively and successfully utilizing CSR strategies, despite the fact the organization are not as aggressive about detailing SCR activities as in some other countries (Chapple & Moon, 2005). Thailand organizations must adapt this strategy as it can lead the company to generate economic profitability and social benefits.



## 1.2 Problem Statement

Since Last decade, CSR has grown consideration in corporate world because of the change in climate and the challenges earth is facing now. Traditionally organizations primary goal is to make profit and social responsibility is considered as a secondary concern which has to be handled by third party (Friedman, 1970). Today stakeholders put more burden on company to participate and publish their sustainability work (Beck et al., 2018). Consumers are also well aware of world's situation and put pressure on company to manage CSR through their purchase power.

With the increase of competitiveness, companies also look for different ways to outperform their competitors. “most of the analyst uphold that sustainability reporting practice not just add to improving the world a spot however to make a business beneficial also” (Szekely & Knirsch, 2005). Although numerous managers not yet convinced as it is not necessary by the law. Also adapting and investing money and resource on CSR can lead to increase cost in the short term (Goyal et al., 2013). Researchers claims that one way to increase the interest of organizations to invest money and resource on CSR is to check the growth in firm value.

Numerous research has been done to prove the importance of CSR and a positive relationship between sustainability reporting and firm value have been found by many. Most of them are done in the developed countries where consumers are

highly aware towards the sustainable and environmental problems. Hence the companies are forced to invest their money on CSR. Although very less research has been done for the companies in Thailand. Hence the managers are not well informed about the importance of this activity. The motive of this research is to find out the influence of CSR disclosure on firm value and to compare it with firms not reporting as per the GRI guidelines. So that the managers will understand the importance of CSR disclosure and put more effort on it.

### **1.3 Research Question**

From the above mentioned problem statement, the research question is-  
“What is the effect of the GRI quality on firm value in Thailand’s public companies and how it is different to those companies not reporting sustainability report”?

### **1.4 Research Objectives**

There are two main objectives of this research. They are as follows-

- 1.4.1 Examine the impact of GRI quality on firm value.
- 1.4.2 Compare the firm disclosing CSR as per GRI guidelines with firm not publishing sustainability report.

### **1.5 Limitations**

The limitations associated with this study are listed below-

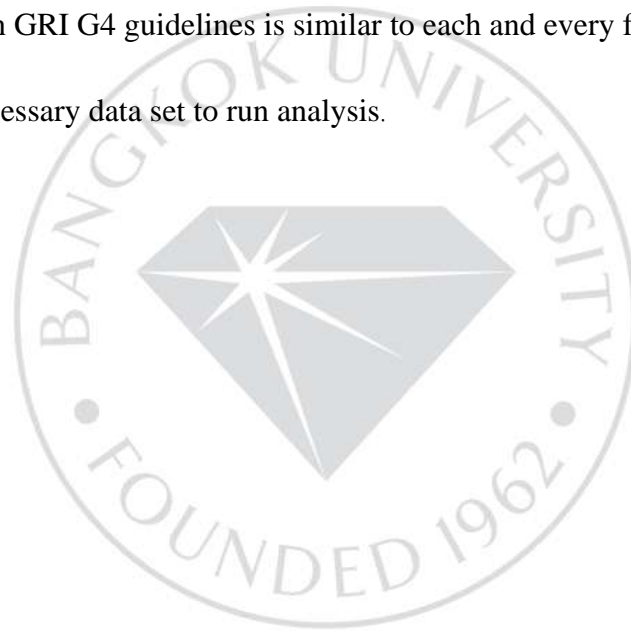
- 1.5.1 This research only focus on Public companies listed on SET, Thailand and MAI.

1.5.2 Only four years of data (2016-2019) is being tested.

1.5.3 Banking and financing Firms are exempted.

### **1.6 Assumption**

As there are very few companies in Thailand who reported CSR, the data set is very small to run mathematical analysis. Hence we assumed that the weightage of all the factors in GRI G4 guidelines is similar to each and every firms. This will allow us to gather necessary data set to run analysis.



## **CHAPTER 2**

### **LITERATURE REVIEW**

As the motive of this research is to find an effect of GRI-quality on firm value, knowledge from previous study and theories used in them becomes essential. From the past research, it is found that mostly two system-oriented theories were conducted, generally based on Legitimacy and Stakeholder theories. These two are positive accounting theories explains the effect of social and environmental accounting. Both theories are almost similar as they share similar ontological view and explains the influence of organizations on society and vice versa.

#### **2.1 Description of Theories**

##### **2.1.1 Legitimacy Theory**

Legitimacy theory defines by Dowling and Pfeffer (1975) as “a circumstance or prestige which exist when an entity’s framework esteem is harmonious with the worth arrangement of the bigger social arrangement of which the entity is a part.

When an inequality, real or possible exist among the two values system, there is a risk to the entity’s legitimacy”. In simple words, it is a mechanism that allows firms to develop and create social and environmental disclosure to satisfy their implicit understanding that empowers, the acknowledgment of their goals and the endurance in an unsteady and tempestuous conditions. According to Lindblom (1993), the actual

definition of legitimacy is “a state which exist when an entity’s value system is in harmony with the value system of society”. Another researcher Suchman (1995) considered that” legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within the socially constructed systems of norms, values, beliefs and definitions”. This theory assert that organizations are frequently trying to influence society’s perceptions about them and gives implicit considerations of society and expectations towards organization operates within. It depends on the thought that there is an 'implicit understanding' among an organization and its society wherein it works (Mathew, 1993). Shocker and Sethi (1973) gave an impression of the societal contact as a business which operates in a society survive and grow based on return to society and delivery of political, social and economic paybacks to group from which it originates its power”. Not fulfilling the society’s expectations, organizations find difficulty to survive. If society questions the legitimacy of a firm, they found difficulty attracting capital, employees and customers (Deegan, 2006). Hence it is crucial to encounter the societal customs and prospects for the endurance of the organization in long term.

The concept of organizations legitimacy may differ through nations such as institutional, regulatory, political, cognitive and strategic (Mahmud, 2019). It is defined by authors in varies ways. Some has tried to define as the scheme of social attitudes and values, while others described it as justice, legislation and

environmental care. “Interestingly, some investigators have gone as far as to the angle of culture aspects and organizational resource to denote organizational legitimacy” (Mahmud, 2019). A list of some authors and their perceptions of legitimacy are given the figure attached below.

There is a proof of information disclosure as a strategy firm often use to create and support legitimacy (Deegan, 2006). Some firm disclose CSR mainly to seek legitimacy (Hedberg & Malmberg, 2003). By disclosing CSR, firms can easily display their visions of society to their stakeholders (Deegan, 2006). The disclosed information is vital in order to change the firm perception (Deegan, 2002). Continuous improvement in CSR quality act as a subset to advance legitimacy. Enhancement in reporting superiority diminishes information irregularity that may occur among the firm and its investors (Ching & Gerab, 2017). Hence legitimacy is established on society perception of a firm actions which is significant for the survival. If firm fails to disclose their actions or fulfilling society expectations, legitimacy can be threatened as well. In case of altering society perceptions and expectations, firm will need to display their engagements of shifting or else need to validate its unchanged actions (Deegan, 2006).

Table 1: Description of Legitimacy by Various Authors

Author(s)	Variable(s)
Suchman (1995)	Social acceptance, social value, rightness of corporation, operational resource
Parsons (1960)	Resource attraction
Bansal and Roth (2000)	Legislation and environmental care
Lindblom (1993)	Social value system
Maurer (1971)	Morality, process of justification
Dowling and Pfeffer (1975)	Just and support-worthiness
Meyer and Scott (1983)	Established cultural accounts

Source: Mahmud (March, 2019). Legitimacy theory and its relationship to CSR disclosures (A literature review). *Chinese Management Studies*, 5(2), 11.

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need to display their engagements of shifting or else need to validate its unchanged actions (Deegan, 2006).

### **2.1.2 Stakeholder's Theory**

The stakeholder theory is a theory of firm management and business morals that represent various demographics affected by commercial entities like staffs, sellers, community, shareholders etc. According to Freeman (1984), this concept upholds that organizations have responsibility towards stakeholders covering creditors, consumers, employees, sellers, regime, community, surroundings, upcoming generation etc. This theory overlaps legitimacy theory in describing firm towards the social system. The relationship of firm and society is wide-ranging in Legitimacy theory while stakeholder theory tapers it down. It divided the society into patrons as different patrons have diverse view on firm actions. These stakeholders judge the firm actions towards their expectations and in order to fulfill it, managers have to know the view of diverse investors have (Schattegger & Burritt, 2010).

It has been applied to explain the thought process behind social responsibility. clarify the motive behind CSR. Some authors see them as a subset of each other (Wood, 1991), while other saw them as a similar view in the field (Brown & Foster, 2013). King (2002) acknowledged the importance of CSR integration in solidifying the relationship among stakeholders & firm. As per Jitaree (2015), patron authority is



linked to the level of disclosure. Social responsibility revelation is an effective tool for communicating and covering stakeholder's expectations as they reward or punish based on the disclosure. Continuous demands to perform better in social responsibility, stakeholders put a bearable pressure on firms. In order to respond, firm adapt stakeholders desire in order to satisfy them for future operations (Utami, 2015). This will lead firm reputation as an evidence of listening stakeholders desire which will change stakeholder's investment patterns.

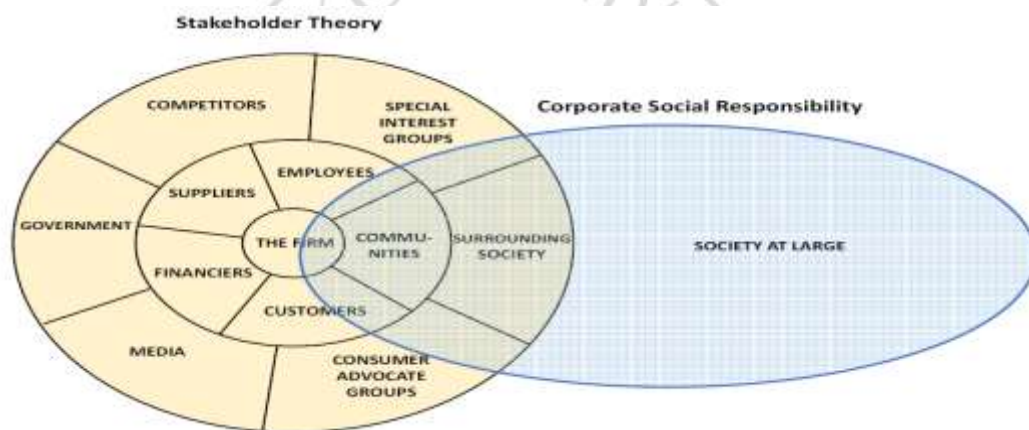


Figure 1: The relationship between Stakeholder theory and CSR

Source: Freeman, Dmytriyev. (2017). Corporate Social Responsibility and Stakeholder Theory: Learning from each other, *SYMPHONYA Emerging Issues in Management*, 7(4),11.

Above mentioned figure explains the relationship among Stakeholder theory and Corporate social responsibility. Both Stakeholder theory & CSR attention the importance of firm responsibilities towards surrounding society and community.

However, the stakeholder theory gives a higher attention to firm's activities (inner

circle in figure 1), and also focusing on local communities where the firm operates. Whereas social responsibility in general enlarge the social orientation of firm much further, frequently to its utmost.

“A single reproach engaged towards stakeholder theory is at what extend directors can include all stakeholder’s demand” (Harrison & Freeman, 1999). Also ignoring stakeholder’s desire may decrease firm’s reputation, which would ominously distress its monetary performance. Hence firms have to identify the important stakeholders whose demand is extremely important or focus those with greatest economic power. This will gain the firm legitimacy from the society as well as work as a strategy to generate a strong relationship with its stakeholders.

## **2.2 Corporate Social Responsibility**

### **2.2.1 CSR Description**

Corporate Social Responsibility generally known as CSR is a self-regulating corporate model that enables a firm to be socially accountable to itself, its investors, and public in common. Its concepts can be superficial in many means such as corporate citizenship (Carroll, 1979), corporate social responsibility (Strand, 1983), corporate social performance (Stevens, 1994), and stakeholder management (Wood & Jones, 1995). All the expressions normally referred the accountability of an organization towards society. Pimpa (2014), state that “CSR don’t have a single

universal definition but an easy word to explain CSR is ultimately organization ethical and normal custom by marking the accurate decision by their surrounds.”

Beside this there are different definitions by various companies and organizations such as –

- As per European Union (EU) CSR is a model which allows the firm to incorporate social and environmental distress in their corporate procedures and in their relations with their patrons on a voluntary basis ([www.eu-trade.org](http://www.eu-trade.org)).
- World Business Council for Sustainability Development (WBCSD): “The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large” ([www.wbcsd.org](http://www.wbcsd.org)).
- ISO 26000 – Committed Draft Version: “The essential characteristic of social responsibility is the willingness of an organization to take responsibility and be accountable for the impacts of its activities and decisions on society and the environment. This implies both transparent and ethical behavior that contributes to sustainable development, including health, and the welfare of society, takes into account the expectations of stakeholders, is in compliance with applicable law and consistent with international norms of behavior and is

integrated throughout the organizations and practiced in its relationship”

(Guidance on Social Responsibility – TC/CD/ISO/CD 26000).

- The Corporate Social Responsibility Institute (CSRI), Thailand: “CSR is an internal and external practice of a company that recognize the impact to society both at immediate level (i.e., primary stakeholders such as customers, suppliers, family, employees and community) and non-immediate level (i.e., secondary stakeholders such as competitors, general public) by using the resources within or outside the company to create harmony and happiness in the society” ([www.thaicrs.com](http://www.thaicrs.com)).

The above mentioned definitions eloquent two basic substance of Corporate Social Responsibility. Organizations are encouraging to display some distress & take responsibility to the society and environment, and business ought to coordinate environmental and social allegations to their everyday activities (Prayukvong & Olsen, 2009). In total, CSR is incorporated into three regions namely public, planet and income. Sastararaji & Wotrich (2008) in their research state that “Elkington (1999) authored the expression "triple bottom line" (TBL) to signify the possibility that organizations don't have the option of monetary incentive as one single objective, yet they likewise target including environmental and social worth, so as to accomplish sustainability”. This TBL came from following concept-

- Environmental Perspective: Alarm the productive supervision of physical assets with the goal that they are protect for future and recommend a need to address several elementary corporate matters, for example, the effect of industrial development on biodiversity, the nonstop usage of non-conventional resources, just as the fabrication of harming ecological toxins.
- Economic Perspective: Economic sustainability model contains the monetary performance of an organization itself, and furthermore its effect on the monetary structure in which its embedded.
- Social Perspective: Contains the concern of social equity, targeting building up an all the more just and evenhanded world, regardless of whether between clients, laborers, or man and ladies. This point of view on sustainability is moderately novel and have developed around 1990s.

### **2.2.2. CSR Standards Comparison**

There are a number of national and international standards for measuring and reporting on social responsibility (Stanislavska, 2010). They differ from one another in their framework and purposes (Sancova et, al., 2005). Widely used standards are UNGC (United Nation Global Compact), OECD (Organization for Economic Cooperation and Development), ISO (International Organization for Standardization),

GRI (Global Reporting Initiative) and SEC (Securities and Exchange Commission, Thailand).

From the table stated below of CSR component comparison, tick marks showed the priority area assigned by apiece outline. Even though they use diverse procedures & standards of Corporate Social Responsibility modules their main motive is to encourage organizations to take accountability of society further than lawful obedience through these outlines.

Table 2: Comparison of CSR Components for different Guidelines

CSR Components	UNGC	OECD	ISO	GRI	SEC
1. Good Governance		✓	✓	✓	✓
2. Environment	✓	✓	✓	✓	✓
3. Science & Technology		✓			
4. Consumer Protection		✓	✓	✓	✓
5. Fair Business Practice	✓	✓	✓		✓
6. Human Rights	✓	✓	✓	✓	✓
7. Labor Standards	✓	✓	✓	✓	✓
8. Community & Society			✓	✓	✓
9. Innovation					✓
10. Anti-corruption	✓	✓	✓		

Source: Prayukvong, Olsen. (Jan, 2009). Research Paper on Promoting Corporate Social Responsibility in Thailand and the role of Volunteers, The network of NGO and Business Partnership for Sustainability development, *Journal of World Business*, 4(3), 8.

### 2.2.3. CSR in Thailand

CSR impression is not novel in Thai society (Pimpa, 2013). In Thai tradition CSR meaning is “kwam rab phid chob doy ruam tor sang khom” or “khuen suu sang khom”, who’s English meaning is “return to society” (Onozawa, 2013). In fact, it is known that Thailand has experienced a “patron-client” principles in which the upper positioning citizen need to provide the welfare of the lower rank, getting respect, service and loyalty in return (Pimpa, 2014). The art of benevolent is a portion of principles and the Buddhist ritual of legitimacy creation, which for the most part has been done through generosity, donations, supporting and sponsorship (Rajanakorn, 2012).

The term CSR first showed up in Thai mass media back in 2003 portrayed a novel inclination of Global standards. Thailand research fund after three years printed a research regarding CSR improvement in managing process of organizations. After tsunami in 2004, the stock exchange of Thailand (SET) established CSRI (Corporate social responsibility institute) in 2007. “In the equivalent, Thai standard institute and Kenan Institute Asia, distributed a working draft of ISO 26000, talking about rules for producers to react with new industrial principles for CSR” (Srisuphalarn, 2013). It has been renamed “Social Responsibility Center”. Till then SET, Thailand put an effort to enlighten organizations about SCR through various ways. In 2016 SET developed THIS (Thailand sustainability investment) to develop Thai listed firm’s quality. Even

putting this much of effort, the percentage of Thai companies adopting and publishing is as low as 10% and the quality is low as they are confused regarding CSR performance execution, preparing formal description, and others as Thai firms tried to catchup American standards, which were established under various circumstances and civic prospects (Srisuphaolarn, 2013). By 2018 THSI list, there are 79 companies in Thailand who are actively practicing and publishing CSR. These firms have the aggregate market capital of THB 10.59 trillion (approx. USD 320.9 billion), signifying 59.8% of joint SET and MAI (Market for Alternative Investments) who's market capital is THB 17.71 trillion. In these 79 firms, 17 belong to resources, 14 in Property & Construction while 13 in industrials. Categorized by market capitalization, 25 listed firms have market value more than THB 100 billion, 26 firms in a range of THB 10-100 billion and 28 firms below THB 10 billion.

#### **2.2.4 Sustainability Report**

In this era of globalization, organizations must implement new strategic techniques and tools both domestically as well as internationally to compete in a long-term. Above literature shows that CSR improves organizations legitimacy and improves relationship with stakeholders, managers are motivated to use it as a business strategy. Although, the level of adaptation and disclosure of CSR describes the relation improvement with stakeholders and society. Organization also have an



economic interest behind CSR disclosure as investors value these reports and essential to strengthening the firm value (Milne & Gray, 2013). An essential instrument for making better reports of sustainability is the executing GRI guidelines, which from an association's point of view is an evidence of duty to constant improvement (Utami, 2015).

### **2.2.5 Global Reporting Initiative (GRI)**

Global Reporting Initiative generally known as GRI is an international independent organization that has pioneered sustainability reporting since 1997. It is considered as one of the best framework for voluntary reporting of social and environmental performance by organizations worldwide. Jong, Brown and Lessidrenska (2009), state that “If estimated by pace of update, exhaustiveness, perceivability and esteem, GRI has been astounding fruitful since 1999. Since then GRI updated their guidelines at several intervals. The GRI’s “establishes lie in the US non-benefit associations the Coalition for Environmentally Responsible Economies (CERES) and the Tellus Institute. The United Nations Environment Program (UNEP) was likewise associated with the foundation of GRI” ([www.globalreporting.org](http://www.globalreporting.org)). The first version was launched in year 2000, which was the first global sustainability framework. Later it was updated and unveiled as G2 guidelines at the World Summit on sustainability development in Johannesburg. Again it was updated and launched in

2006 as third version (G3) while the latest guidelines G4 was published back in 2013.

After a year of G4 publication, Global Sustainability Standard Board (GSSB) was formed in 2014 with a sole duty regarding setting internationally acknowledged gauges for sustainability reportage. This fourth generation which is most widely used sustainability reporting framework globally was created through global multi-stakeholders, sustainability leaders, experts and practitioners, agreement based procedures empower all organizations and associations to provide details about their economic, social, environmental and governance performance. It has been significantly revised and improved in order to reflect significant current and future trends in sustainability development prospect (Dev & Singal, 2016). GRI sustainability reporting standards were launched in year 2016 which was the former universal ideals for sustainability reporting including social, economic & environmental impacts. Setting up a report according to the GRI Standards gives a far reaching picture of an affiliation's material subjects, their related impacts, and how they are managed. An organization may also use entirely or partially of selected GRI Standards to report specific information.

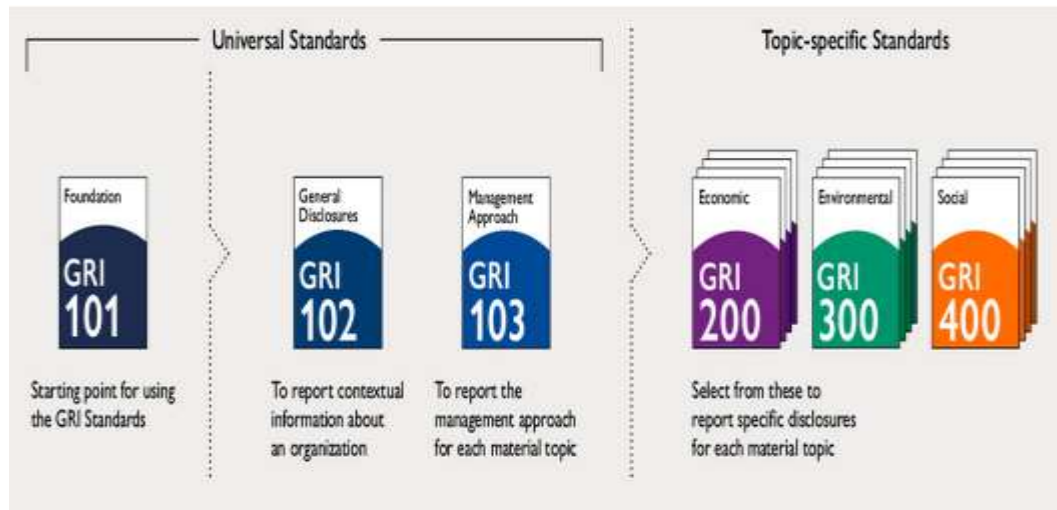


Figure 2: GRI Standards

Source: GRI standards *retrived* from GRI website <https://www.globalreporting.org/standards/>

- The 100 series contains three worldwide standards necessary for all firm in order to prepare sustainability report. Publishers use it as a guide for using standard and details for material usage and management. It also includes organizations relevant contextual information.
- The 200 series includes topics- explicit Standards used to report data on an association's material effects identified with financial subjects.
- The 300 series includes topics- explicit Standards used to report data on an association's material effect related to environmental subjects.
- The 400 series includes topics - explicit Standards used to report data on an association's material effect related to social subjects.



Figure 3: Calendar and Milestones of GRI

Source: Calendar and milestone given by GRI resource center

Retrieved from <https://www.globalreporting.org/information/about-gri/gri-history/Pages/GRI's%20history.aspx>

The above mentioned standards give a clear view of what stakeholders and society expectations from an organization. Some of the organizations uses majority of the topics described by GRI standards while others touched the minimum required to publish. The more indicators an organization touches as per the GRI guidelines, the advanced CSR commitment of the firm (Beck et al., 2018). As per Sampong et al., (2018), “Associations which fuse the GRI rules into their tasks seem to have more elevated levels of promise to CSR than those organizations that don't consolidate these measures”. Stakeholders usually compare the sustainability report of organizations by the amount of GRI guidelines included in it as it is the measure of the quality of sustainability work and reporting. The nature of the report is imperative

to empowering partners to make reasonable appraisal of execution, make decisions and take suitable actions. It also gives a clear sign to stakeholders that an organization is serious about their sustainability work which byproduct make authenticity among various.

### **2.3 GRI in Thailand**

In Thailand, the majority of the CSR idea and standards were created dependent on the structure of developed nations, be that as it may, at present stays a voluntary contrivance. The stock exchange of Thailand and The securities and exchange commission, Thailand provides a guideline to the firms to disclose their sustainability work. This implies that GRI guidelines is not mandatory for Thai firms to follow. However most of the Thai firms who are practicing sustainability, publish their report based on GRI guidelines. The introduction of GRI in Thailand was done back in 2010 by Thaipat institute together with corporate social responsibility institute (CSRI). Since then these organizations help Thailand firm to adapt GRI guidelines in order to practice and publish their sustainability work. Although in these 10 years they won't get a huge success as less than 10% of public companies in Thailand stock exchange follows these guidelines. This gives us a clear picture that GRI is still under development in Thailand and firm need to understand the importance of these guidelines in order to improve their sustainability works and attractive foreign investors.

GRI is an international guidelines of reporting sustainability work. This is a vital tool to increase the legitimacy of one's organization globally and attract investors. As we know, Thailand is a developing country and a major GDP generates through industrialization and government are working hard to make an easy path to established multi-national companies. As multinational companies have many branches globally, it is vital that their reporting system should be same in order to better understanding. It also improves the international stakeholders to understand firms true value and ultimately improve their reputation and brand name. This guideline also has an effect on national level organizations as it helps managers to understand risk and opportunity, long term policy, link between financial and non-financial performance, reducing cost, improving efficiency and comparing sustainability work between organizations. It also helps them to connect globally and finally attract global investors which enhances firm value and legitimacy.

#### **2.4 GRI Effect on Firm Value**

From past few decades, investors awareness towards sustainability has grown considerably. As investors are vital for firm's growth, they keen to know different information. This leads a pressure situation on firms to disclose their sustainability report. In order to implementing these measures and disclose, firms experience a high cost in short run, however, it provides direct and indirect remunerations over an extensive period (Swarnapali, 2018). By participating in CSR exercises indirectly

improving their value and attracting many investors (Carroll & Shabana, 2010, Godha & Jain, 2015) states that “sustainability reporting enhance inner procedure, connect with partners and convinces financial specialists, all of which add to upgrade investors esteem in various”. The main motive of disclosing sustainability report is to provide precise information to stakeholders about firm’s financial prediction and threat profile, which conceivably prompting higher share price and higher market esteem (Moser & Martin, 2012).

## **2.5 Firm Value**

The firm value is basically the ratio of market value to total asset of a firm. To gauge it, Tobin's Q is broadly utilized in past research as a proportion of long haul execution (Utami, 2015). It was developed by the Nobel Laureate James Tobin in 1969. This firm value highlights the gradual segment of the market value that outperform the book value, thusly it is generally reasonable for firm value computation. Sampong et al., (2018), states that Tobin’s Q is an ideal indicator to test the effect of GRI on firm value. Utami (2015) explained that if a company having a Q value more than one is considered by speculator to be convey progressively proprietor esteem by utilizing current assets all the more productively the individuals who are having Q value less than one.

## 2.6 Total Asset

Total asset refers to the amount of asset owned by a firm or a person. It is also referred as the sum of total current asset and total non-current asset. In other words, any tangible or intangible that owned by a company to produce positive economic value is termed as asset. Faccio et al., (2016), states that, “the total asset are the total fixed asset (tangible and intangible asset and other fixed asset), and current asset (inventory, receivable and other current asset). It is also considered as the amount of ownership a firm has that can be converted into cash.

The total assets are considered as a main factor for describing the firm size (Sctiadharam & Machali, 2017), which has a huge effect on firm’s value & sustainability. Waluyo (2017), states that, “firm size, firm age and firm growth have simultaneously effect to corporate social responsibility disclosure”. Usually the big firms are progressively enhanced and fewer risk and earning per share is associated with firm size and is decidedly associated with the proportion of the market to book value (Liow, 2010). Brealey & Myers argues that a large organizations have extensive spread stock less controlled from a certain party. Sctiadharam & Machali (2017), states that, “the greater the firm, the simpler is to get inner and outer spring of treasuries, which will influence the firm value itself”. Moreover, the big company size is a sign of good growth and give a progressive sign to the investors, which enhances the firm value. It is also proof by the previous studies conducted by Berger & Patti (2016)



confirms that the organization size influences emphatically its value. Fattah Al-Slehat (2019) and Waluyo (2017) shows the same result.

## **2.7 Total Revenue**

Sales or revenue is vital for firm's growth & can show improvement of company's performance (Ulfa, 2009). Total sales or revenue are calculated as the multiple of total number of unit sales to price per unit (Lucy & George, 2018). The aim of firms is to increase their sales to attain maximum profit which in turns increase the dividends to inventors or shareholders which ultimately increase the firms value and attract more investors. Myers (1977), through his study recommended that broadening sales is a key element of controlling firms value. This was also proved by Hermuningsih (2014) & Kodongo et al., (2015) research which inferred that the growth in sales is emphatically connected with firm's value. Furthermore, Purwohandoko (2017) states that "the estimation of the organization normally be related with financial specialist's discernment about the degree of organization achievement". Also it is noticed from the previous research that change in revenue lead to adapt more sustainability factors as consumers are highly active towards sustainability and looking for a product which doesn't harm the environment. The research conducted by Paul V & Devi (2016), brought about a positive connection among CSR & total sales of the organization. This conclude that the company who is actively participating and publishing their sustainability report experience a high change in revenue.

## 2.8 Audit Fee

Audit fee is considered as a fee a firm has to pay to an external auditor in return of auditing process. This fee is based on the agency reputation as well as the experience of the auditor. As CSR activities are used to build reputation in the society, firm are happy to invest money in it. However, the size of the firm has an effect on audit fee as auditor indulged in investigating CSR tends to charge higher audit fee (Gunn, Li, Liao, Ynag & Zhao, 2019). Hence audit fees becomes an obstacle to a small firm wishes to published their sustainability report.

## 2.9 Book Value Per Share

Book value per share is the ratio of book value to shares outstanding. Book value is the amount of total asset of a company after paying all the liabilities while shares outstanding is the all authorized shares which are purchased and kept by investors. Hence it becomes an impiortant factor for the investors before investing in the firm stocks. As CSR improve the firm legitimacy and inhance their reportation, it also attracts the investors. According to Jain (2016), investors always consider ESG scores before making any investment decision and thus the management and managers should include sustainability reporting into their daily procedure.

## 2.10 Share Price

Share price is the amount of money investor pay to purchase a single share from a saleable stock of a firm. It is also considered as the highest price someone is

willing to pay for a stock or lowest amount in terms of buying. It is common that a firm with high reputation has higher price of shares as many investors want to purchase their stock. Hence the share price is highly correlated with the firm value and reputation. Once a firm lost their reputation in the market, it will be difficult for them to regain it and as a result the value and demand for their stock drops drastically. As CSR is a strategy to develop a positive reputation of a firm, it enhances the share price and vice-versa.

### **2.11 Previous research**

Throughout the most recent decade, analysts have been investigating the association between sustainability reporting and firm value of an organization. The result shown positive, negative and inconsistent relation. Swarnapali (2018), examine the relationship through regression analysis by accepting the value enhancing theory and have found the positive result. This result was also verified by Loh, Thomas and Wang (2017) by conducting a research on Singapore firms. Same result was found by Boonlual (2016) who examine the influence of CSR on firm value of Thailand firms. He also found a positive relationship between sustainability reporting and firm value. Rhou et al., (2016), states “Organizations perform healthier once their investors raise their attention to positive CSR attribution uncovered in sustainability reports”. Stakeholders provide full support to an organization in case of disclosing CSR activities either positive or negative (Johansson & Zametica, 2019).

Despite all the research who found positive relationship between CSR discloser and firm value there are many researchers who found the negative impact. Chen & Lee (2017), found that CSR doesn't contribute to enhancing company value by conducting a research on Taiwanese firm from 2010 to 2012. Utami (2015), who analyzed the financial performance of a manufacturing industry dependent on the quality of supportability reporting and found no significant on organization value. If firm value shall increase by high quality CSR, the growth of revenue should be higher. The GRI implementation have an effect on financial performance for a long-term rather than short time oriented (Utami, 2015).

The recent research done by Johansson and Zametica (2019), found positive association among sustainability report quality and firm value for a year while no significance for another two years. This research was conducted to examine the effect of sustainability report quality based on GRI guidelines on firm's value in the Swedish manufacturing industry. The quality of the sustainability report was measured by the no of GRI guidelines used in the report while firm value through Tobin's Q. This recommend that the quality of the GRI may not have any significance on firm value rather than just improving legitimacy of a firm towards society and stakeholders (Sampong et al., 2018).

Chen & Lee (2017) also examine the relationship between CSR on firm value through panel smooth transition regression procedure. The targeted populations were

Taiwan's firm from the period of 2010 to 2012. They found no relationship between CSR and firm value and concluded that engaging in CSR activities doesn't enhance firm value.

Table 3: Summary of Previous Research

Author	Research	Method	selection	Findings
Swarnapali (2018)	Corporate Sustainability reporting and firm value: Evidence from a developing country	Qualitative and descriptive	220 companies listed in Colombo stock exchange	Positive relationship found between sustainability reporting and firm value
Utami (2015)	Examine the influence of leverage, profitability, and the quality of sustainability disclosures on firm value	Regression analysis	143 firm years from the Indonesian manufacturing industries	Positive significant relationship between profitability and firm value
Rhou et al (2016)	Investigate the role of CSR awareness on the relationship between CSR and corporate financial performance in the restaurant context.	Regression analysis	53 restaurant firms	CSR exerts positive impact on financial performance
Bonnual (2016)	Determinants and consequence of corporate social responsibility on firm performance: evidence in Thailand	Structural equation modeling	382 companies listed on stock exchange of Thailand	Positive relationship between firm value and sustainability reporting

(Continued)

Table 3 (Continued): Summary of Previous Research

Beck et al (2018)	Examines the relationship between CSR engagement and financial performance	Regression analysis	116 public companies from Australia, Hong Kong and the United Kingdom	Significant relationship between CSR and financial performance
Loh, Tomas & Wang (2017)	Sustainability reporting and firm value: Evidence from Singapore listed companies	Empirical study through Ohlson model	502 Singapore listed companies	Sustainability reporting is positively related to firm value
Sampong et al (2018)	Investigate the relationship between the extent of CSR disclosure performance and firm value	Regression analysis	126 listed South African companies over a 6-year period	CSR disclosure has a limited effect on firm value
Johansson & Zametica (2019)	Investigate the effect CSR quality on financial performance and firm value	quantitative method with a deductive approach	30 Swedish manufacturing company	Positive effect in 2015 while no significant effect in 2016 and 2017
Chen & Lee (2017)	The influence of CSR on firm value: an application of panel smooth transition regression on Taiwan	Quantitative with Panel smooth transition regression	Taiwanese firm from 2010 to 2012	CSR doesn't contribute to enhancing company value

Source: Author

## 2.12 Summary

Today's stakeholders are becoming more concern regarding the sustainability of a firm and a product due to various changes happening around the globe. The customers are more inclines to the product and company which is more sustainable.

This put an extra pressure on firm's managers to invest their money and time on sustainability work and improving their reporting system with time as it is linked to their legitimacy. In order to improve firms value, firm needs to provide a healthy report of their sustainability reporting as stakeholders and investors need a clear picture of firms financial and non-financial status which is helpful to attract more investors and shareholders. It is also seen from above theories that sustainability work is linked with company's growth and can enhance their sales and net profit while maintaining their liquidity. Hence organization need to adapt and invest their time and money to compact these demands through continuous improvement in the sustainability work and reporting in order to compete as well as improve their legitimacy.

### **2.13 Hypothesis**

Despite mixed result, recent result by Johansson & Zametica (2019), Swarnapali (2018) and Beck et al. (2018), found a positive relationship between CSR and firm value. The above mentioned theories also suggest that the organizations attachment towards CSR increase the interest of stakeholders. High quality reports are also used as a tool to communicate, which can lead to upper hand may result increase in firm value.

Purpose of this study is firmly associated with legitimacy and stakeholder theory just as past research result indicating positive correlation. Subsequently the

goal is to research what reality looks like and match the outcome with those theories.

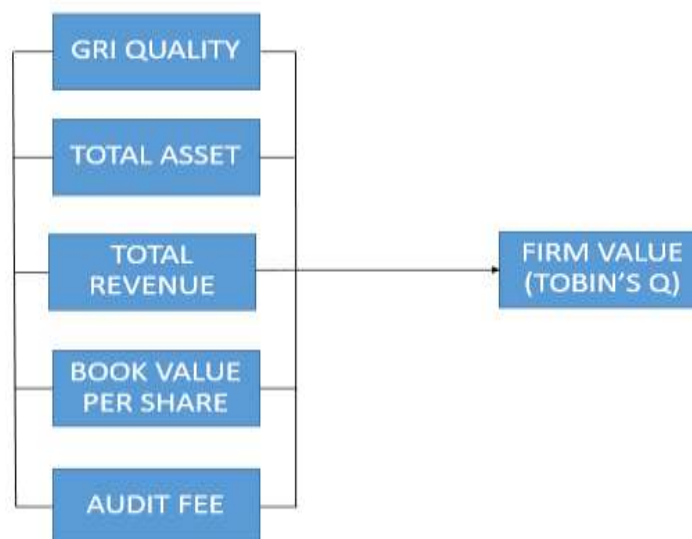
Therefore, I hypothesize the following relationship:

Ho: “The GRI-quality in the sustainability reports will have a positive effect on firm value”.

## 2.14 Conceptual Framework

Independent variable creates the conceptual framework which also describes the null hypothesis. The conceptual framework also describes the effect of GRI quality on Tobin’s Q (firm value). This model shows the relationship between direct and indirect variables where change in one stage must create another change in subsequent step.

Figure 4: Consuptual Framework



Source: Author



## **CHAPTER 3**

### **METHODOLOGY**

This chapter explains the research method used in this research. The aim of this research is to find out the relationship between GRI quality and firm value. Furthermore, this chapter gives a clear image of targeted population and sample size, independent and dependent variables, data collection, reliability & validity of data's and its analysis methods. This chapter consist of 10 different sections. The first section describes about the research method followed by population and sample size section. The third section describes the data collection procedure while 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> section discuss about variables used in this research. 7<sup>th</sup> section explains the method of selecting Non-GRI firms followed by reliability and validity of data, data analysis method and scaling of data.

#### **3.1 Research Method**

In order to find the relationship among GRI quality and firm value, a quantitative research method has been used where relationship of dependent and independent variables are measured through various mathematical, statistical and numerical analysis method. In other words, this method manages quantifying & analyzing variables so as to get outcome. According to Bryman & Bell (2013), “there are speculations about what veracity looks like, which through data collection can evaluate the different components that can clarify the hypothesis”. This research also

follows a deductive approach where hypothesis is build based on scientific theories and result are found by testing those hypotheses. These hypothesis gives a clear information regarding data collection and eventually tested through empirical study. This research heavily dependent upon secondary data's published by firm which reflects historical background and work robustly than other approaches such as surveys and interviews. This research method is supported by the recent research done by Swarnapali (2018) and Johansson & Zametica (2019). They also used the same method and approach to find the relationship between CSR and firm value and GRI quality and firm value respectively.

### **3.2 Population and Sample Size**

Target population and sample size plays a vital role in research. For this research our targeted populations are the companies who publishes their CSR report according to GRI disclosure guidelines and listed on Stock Exchange of Thailand (SET) and Market of alternative investment (MAI) in the period of 4 years, that is 2016 to 2019. According to Thailand sustainability investment 2018, there are a total of 79 firms who publish their CSR report and are listed on SET and MAI. However out of 79 firms, 8 firms belong to banking and financials which are not included in this research. For Non-GRI firms, there are 713 frims listed in SET and MAI which becomes the population for Non-GRI firms. Therefore, the targeted population of this research was 71 firms for GRI and 713 firms for Non-GRI. Furthermore, the search of

CSR report according to GRI guidelines is done and found that a maximum of 47 firms published their CSR report based on GRI guidelines. The total number of GRI firms are 127 while non-Gri firms are 87. Hence the total sample size for this research is 214. The summary of firms published CSR based on GRI guidelines for a period of 2016 to 2019 is stated below.

Table 4: Number of Firm Published CSR based on GRI Guidelines (2016-2019)

S.No	Year	No. of Firms published their report based on GRI guidelines
1	2016	32
2	2017	35
3	2018	42
4	2019	18

Source: Author

### 3.3 Data Collection Procedure

The targeted population of this research is Thai firms and the selected samples are publicly listed firms. Hence, SET Thailand website and SETSMART becomes the main source of data as it contains financial reports, financial statements, financial performance and stock updates and history for all listed firms.

SETSMART contains the annual report of the firm which is submitted to SET Thailand in order to remain listed. These grantees that the data are highly accurate and

genuine. The nature of data is mostly quantitative such as total asset, total revenue, current asset, net profit, EPS, bid price, ask price, book value, market value and so on. These data's also help to calculate Tobin's Q which is the independent variable of this research.

SET Thailand contains the CSR report of all listed firms. These reports are either based on GRI guidelines or guidelines set by SET Thailand. In case of not finding some data's at SET Thailand or SETSMART, company website becomes the second source of collecting those data's. Hence, data's are collected only from SET Thailand, SETSMART and company's website.

### **3.4 Research Variables**

This research contains two kind of variables. They are termed as independent variable and dependent variable. The dependent variable is Tobin's Q which is termed as firm value where a number of independent variables are used which are GRI quality, total revenue, total asset, book value per share and audit fee. Change in independent variables makes an effect on dependent variable.

### **3.5 Dependent Variables**

Based on the previous research Tobin's Q is selected as a dependent variable and a measure of firm's value. According to Swarnapali (2018), firm value can be measured by Tobin's Q. This was also supported by the studies of Johansson &

Zametica (2019) as well as Bidhari et al., (2013). Hence this study used Tobin's Q for all four years to measure firm value.

### 3.5.1 Tobin's Q

For the measurement of firm value, researcher always uses Tobin's Q. It is also proven from the past research done to measure firm value or to find out the relationship among firm value and independent variables. Tobin's Q is generally a ratio of market value to total asset (Perfect & Wiles, 1994), where market value is the multiple of share price and total number of shares. Total asset is the sum of firms total current asset and total non-current asset. All these data's to calculate Tobin's Q are easily available on firm's financial statement.

$$\text{Tobin's Q} = \text{Market Value} / \text{Total Asset}$$

$$\text{Market Value} = \text{Number of shares} * \text{share price}$$

$$\text{Total Asset} = \text{Total Current Asset} + \text{Total Non-Current asset}$$

Firm whose Q value is more than 1 is considered as efficient of using current asset and deliver more value to those firm whose Q value is less than 1.

### 3.6 Independent Variables

The major independent variable for this research is the quality of GRI who's relationship with firm value needs to be tested. However, there are many other variables who have an effect on firm value as well as GRI quality. These variables are

total asset, total revenue, book value per share and audit fee. Measuring and calculating methods of each independent variable are shown below.

### **3.6.1 GRI Quality**

Quality of a report or thing is extensive & complex concept and is tough to measure it numerically. Hence it is considered that the quality is superior when it follows the guidelines upmost. As CSR has no standard methods, there is also no standard method to measure the quality of CSR report. To simplify the problem GRI guidelines can be set as a standard to measure quality of a GRI report as it is an international guideline to report CSR which is widely acceptable and reliable with majority of big corporates and MNC are using it.

Previous studies show that companies using GRI guidelines have better CSR quality. Therefore, to calculate CSR quality of Thai firms GRI quality is take and check how effectively and extensively firm uses this to report their CSR based on G4 guidelines. The author will check all the indicators mentioned in G4 guidelines. There are 3 basic disclosers are given in GRI G4 guideline which are social, environmental and economic. It is compulsory for each firm to report based on these indicators and author check the extent to which firm uses these indicators. The grading system is similar as the previous study done by Utami (2015) where he used 0 and 1 to grade the indicators. He gave 1 to the indicator which is mentioned by firm in the CSR report while 0 to the indicator which is not mentioned.

1- GRI indicator is mentioned

0- GRI indicator is not mentioned

Once the grading system is done, a total score is calculated and converted to percentage with respect to the total number of indicators presented in G4 guidelines which is 92 in number. It is helpful to generate the result and check how good the CSR report is. The social, environmental and economic indicators are taken together rather than separately and annual basis. Hence the data set generated is termed as GRI-Quality 2016, GRI-Quality 2017, GRI-Quality 2018 and GRI-Quality 2019. Appendix 1 contains the indicators of economic, environmental and social which is used to grade the GRI quality of Thai firms.

### **3.6.2 Total Revenue**

Total revenue is given in the financial statement uploaded on firm website and/or SET Thailand. It can also be calculated by adding the revenue generated by sold goods or services.

Total revenue = Total unit of sold goods and service \* unit price of goods and service.

### **3.6.3 Total Asset**

The value of total asset is taken from the financial statement directly which is uploaded on firm website, SET Thailand website and SETSMART database.

Total Asset = Total Current Asset + Total Non-Current asset

### **3.6.4 Book Value Per Share**

Book value per share is taken from SET Thailand website and SETSMART database.

### **3.6.5 Share Price**

Share Price is calculated by dividing the share price after 3 months of financial year of this year to last year. The data will be easily take from SETSMART database.

### **3.6.6 Earning Per Share**

The value of EPS is taken from SET Thailand website and SETSMART database.

### **3.6.7 Audit Fee**

The value of audit fee is taken from the Annual report of firm directly which is uploaded on firm website and SET Thailand website.

## **3.7 Selection of Non-GRI Firm**

To test the 2<sup>nd</sup> objective of this research, it is necessary to properly select Non-GRI firms. In order to properly match the firms, below mentioned conditioned must be fulfilled.

- A. Match the total average asset (2016 to 2019) of GRI firms to Non-GRI firms in the range of 80% to 120% of total average asset.



- B. To compute total average asset, take the summations and divide it by 4.
- C. In case, if more than one Non-GRI firm's matches condition A, then take the firm closest to average ROA of GRI firms.

### **3.8 Reliability and Validity of Data**

Data reliability and validity is vital for the research as data analysis won't work with unappropriated data. Consistency of data is termed as reliability while validity alludes to the degree to which it reflects reality. The data source is from SET Thailand and SETSMART database which can be considered as authoritative and trustworthy fulfilling all the requirements for data validity and reliability. Furthermore, the financial statements are made through standard format set through SET Thailand, which eliminates the probability of error and inaccuracy. The data used to calculate GRI quality is also based on international standards which is GRI G4 guidelines. Thus there is no problem using this data for this research.

### **3.9 Data Analysis Method**

To investigate the relationship between Tobin's Q and GRI quality, multiple regression analysis will be used to analyze the data as it is one of the powerful tool to determine the relationship between independent and dependent variables. The list of independent and dependent variables is listed below.

<u>Dependent Variable</u>	<u>Independent Variable</u>
Tobin's Q	GRI Quality
	Total Revenue
	Total Asset
	Book Value Per Share
	Audit Fee

The regression model has the following appearance-

$$Y = \beta_0 + \beta_1 X_{1t} + \beta_2 X_{2t} + \dots + \beta_z X_{zt} + e$$

Where,

$Y_i$  = ith observation of the dependent variable Y

$\beta$  = Regression coefficient

t = number of the observations

z = number of independent variables

e = residual

According to this model, our study has a regression model stated below-

$$\text{Tobin's Q} = \text{GRI Quality} + \text{Total Asset} + \text{Total Revenue} + \text{Book Value Per Share} + \text{Audit Fee} + e$$

$$TQ = GRIQ + TAL + LNTR + BVPS + LNAF + e$$

Where,

TQ = Tobin's Q

GRIQ = GRI Quality

TAL = Total Asset scaled by ln

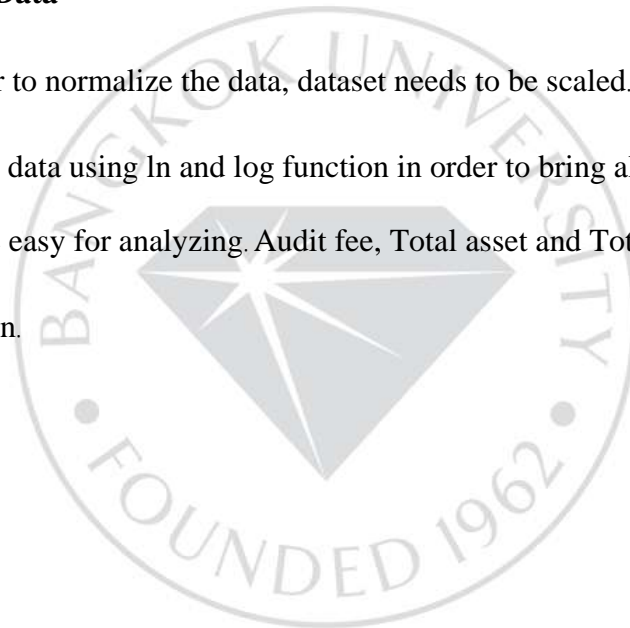
LNTR = Total Revenue scaled by ln

BVPS = Book Value Per Share

LNAF = Audit Fee scaled by ln

### **3.10 Scaling of Data**

In order to normalize the data, dataset needs to be scaled. In this research author scale the data using ln and log function in order to bring all the data under a particular range easy for analyzing. Audit fee, Total asset and Total revenue are scaled using ln function.

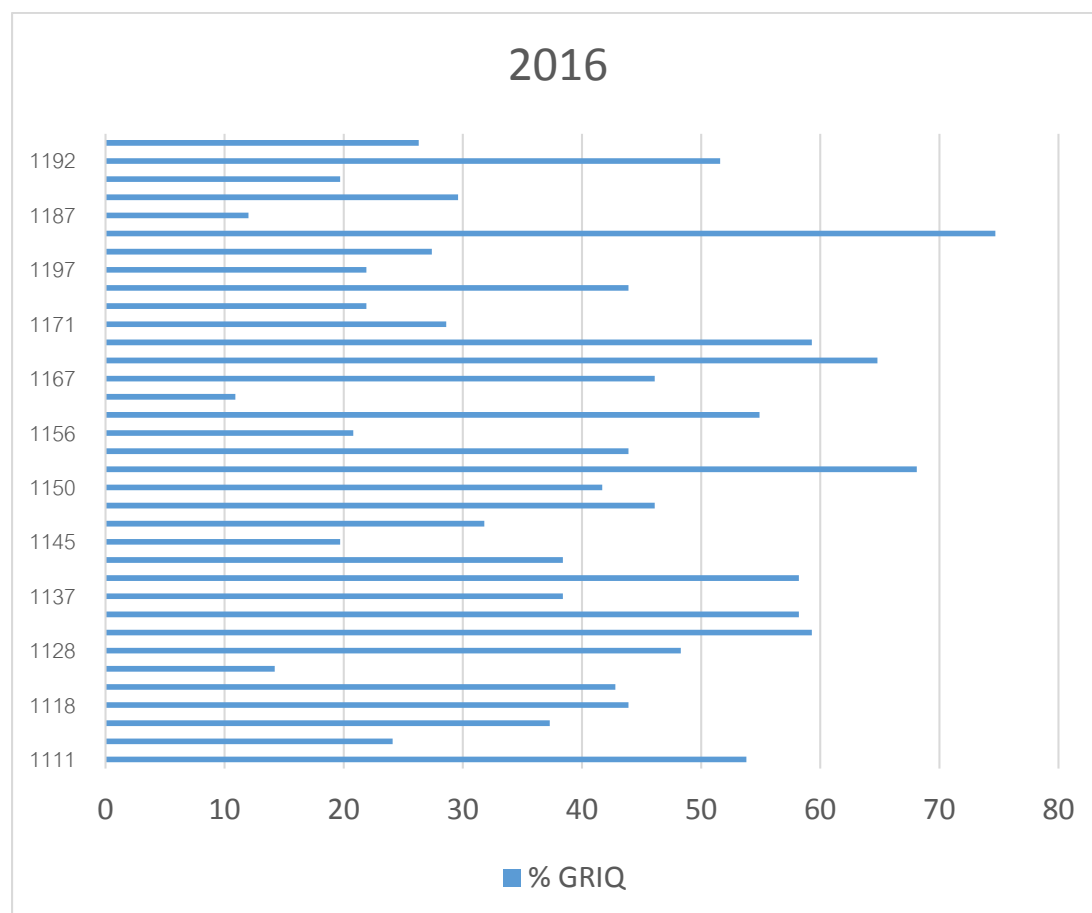


## CHAPTER 4 FINDINGS

This chapter discuss the result found using various statistical methods which are descriptive analysis, regression and correlation.

### 4.1 GRI Quality

Table 5: GRI Quality of Year 2016

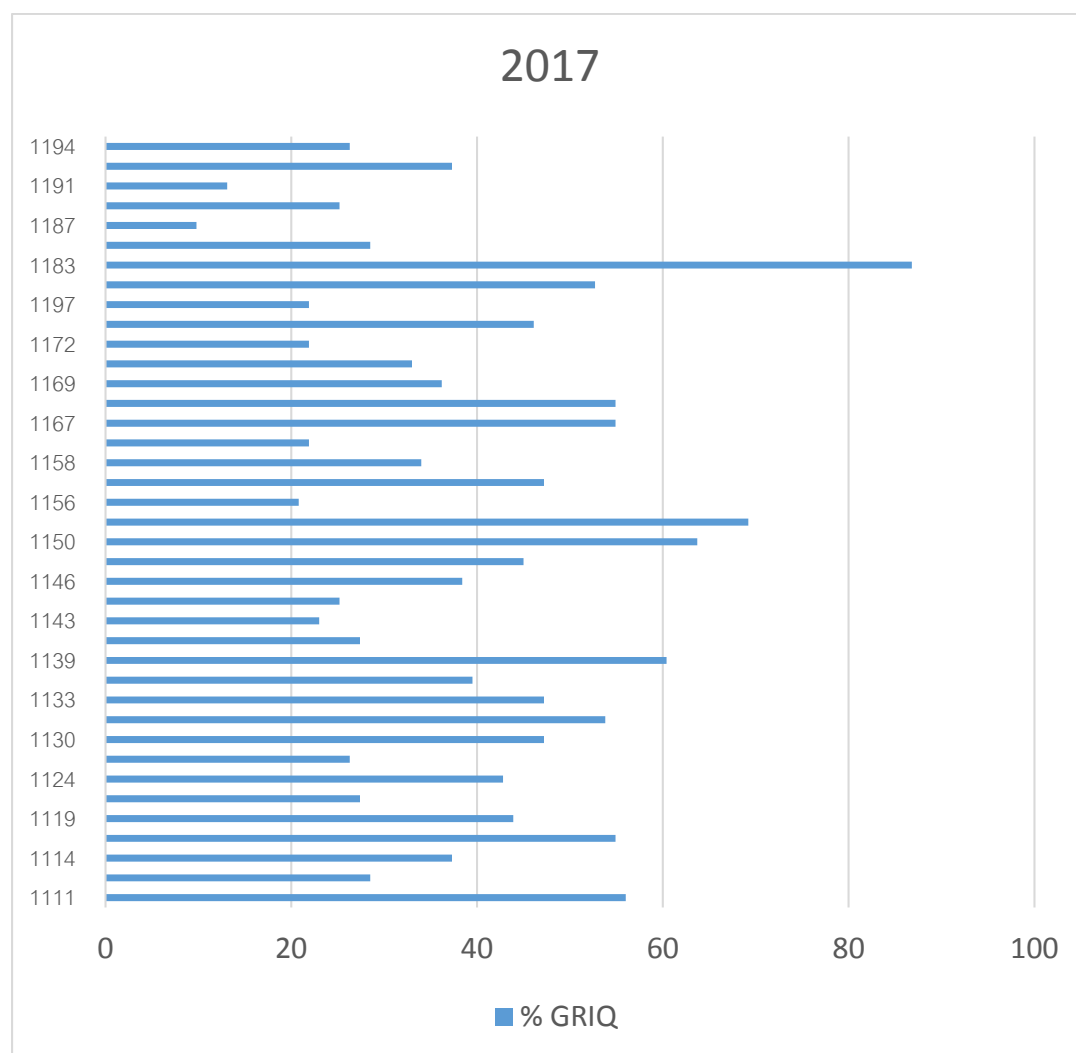


Source: Author

Above mentioned graph explains the level of quality of GRI report in 2016. It shows that the quality lies in between 10.9% (min) to 74.7% (max). The highest quality is

shown by DELTA ELECTRONICS (THAILAND) PCL (company code – 1183) while the lowest quality came from EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PCL (company code – 1164).

Table 6: GRI Quality of year 2017

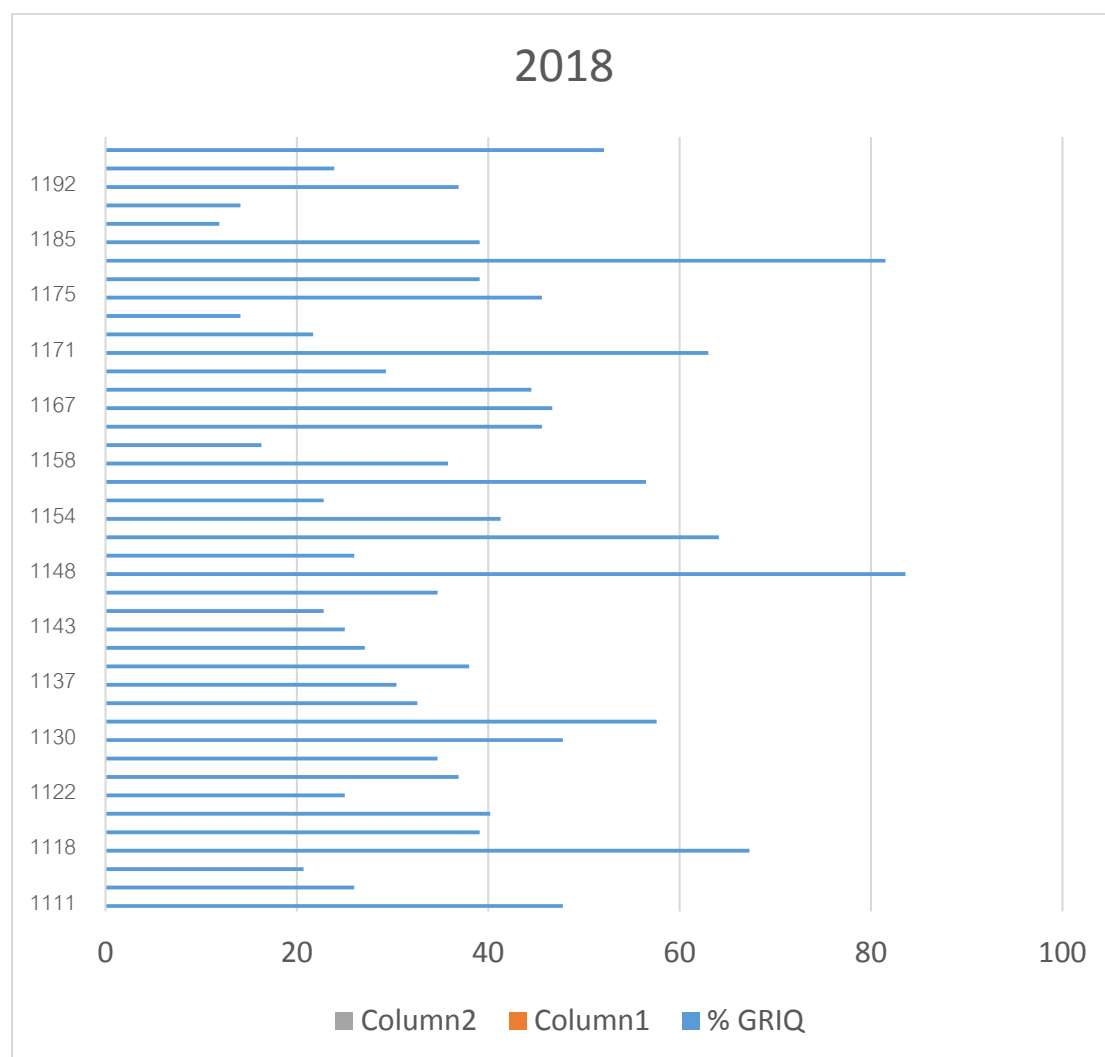


Source: Author

Above mentioned graph explains the level of quality of GRI report in 2017. It shows that the quality lies in between 9.8% (min) to 86.8% (max). The highest quality is

shown by DELTA ELECTRONICS (THAILAND) PCL (company code – 1183) while the lowest quality came from PREMIER TECHNOLOGY PCL (company code – 1187).

Table 7: GRI Quality of year 2018

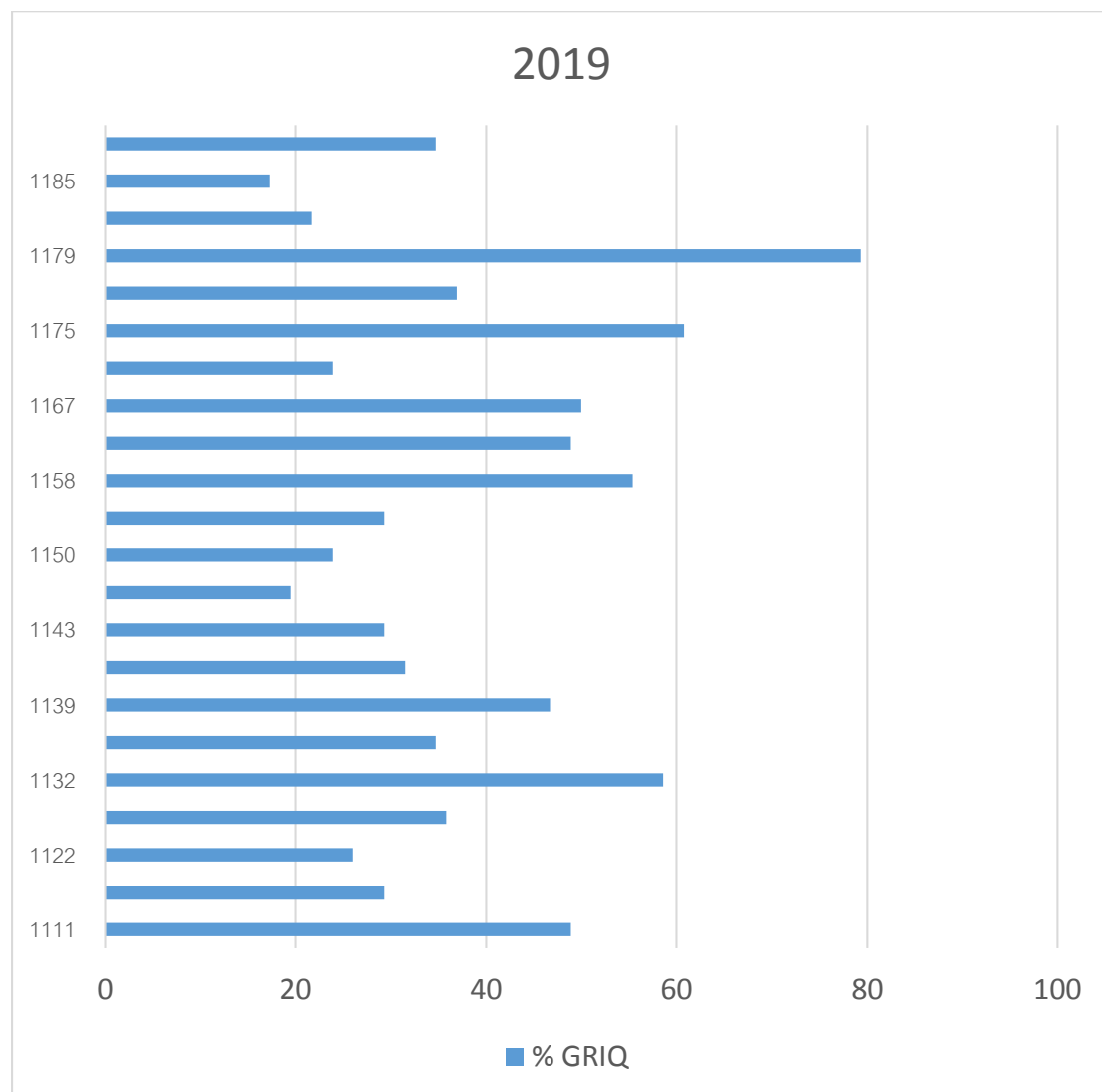


Source: Author

Above mentioned graph explains the level of quality of GRI report in 2018. It shows that the quality lies in between 11.9% (min) to 83.6% (max). The highest quality is

shown by PREMIER PRODUCTS PCL (company code – 1148) while the lowest quality came from PREMIER TECHNOLOGY PCL (company code – 1187).

Table 8: GRI Quality of year 2019



Source: Author

Above mentioned graph explains the level of quality of GRI report in 2019. It shows that the quality lies in between 17.3% (min) to 79.3% (max). The highest quality is

shown by HOME PRODUCT CENTER PCL (company code – 1179) while the lowest quality came from INTOUCH HOLDING PCL (company code – 1185).

#### 4.2 Descriptive Statistics

Table 9: Descriptive Statistics Table for GRI and Non-GRI firms

Variables	Mean	Median	SD	Min Value	Max Value	No. of Observation
GRIQ	0.230	0.219	0.23	0	0.868	214
TAL	23.77	23.62	1.77	19.49	27.24	214
LNAF	15.29	15.06	1.08	13.91	18.64	214
LNTR	23.45	23.11	1.72	19.58	27.07	214
BVPS	17.173	5.85	35.25	0.23	222.77	214
EPSS	0.067	0.056	0.08	-0.095	0.986	214
GRIQEPSS	0.017	0.009	0.03	0	0.378	214
LSP	-0.006	-0.005	0.11	-0.423	0.385	214
TQ	1.232	0.861	1.15	0.011	6.837	214

Source: Author

The above table shows the descriptive statistics of variables (both independent and dependent variable) used in this research. According to the table, the mean of GRI quality is 23.09% with a min value of 0% to a maximum value of 86.8%. This descriptive analysis consists GRI and Non-GRI firm data, that's why it shows the min



value of GRI quality to 0% and also the mean value is lower than actual. The actual mean value of GRI quality is stated in Table 10. The value of standard deviation is 0.23 which is almost equal to the mean. This explains that the data is not spread out over a wide range. The data are clustered around the mean value. The average value of Tobin's Q is 1.19 which is considered good according to Utami (2015). It shows that the company is effecting of generating more value by the effective use of its current assets. The mean value of total asset and audit fee are 23.77 and 15.29 while mean value of book value per share and earning per share are 17.17 and 0.06. Share price value lies between -0.42 to 0.38 with an average value of -0.006.

Table 10 shows the descriptive statistics of a GRI firm for both independent and dependent variables. The number of observation is 127 over the 4 years' period (2016-2019). GRI quality lies between 9.8% to 86.8% with a mean value of 38.91% which shows that the firm in Thailand doesn't have a high quality sustainability report. However, it is seen that some of the firms used 86.8% of the things classified in GRI guidelines. Average firm value is 1.27 which is considered good according to Utami (2015). Total asset has a mean value of 24.17 with a min and max value of 19.49 and 27.24 respectively. The mean value of total asset and audit fee are 15.58 and 23.74 while mean value of book value per share and earning per share are 21.811 and 0.079. Share price value lies between -0.24 to 0.24 with an average value of 0.0095.

Table 10: Descriptive Statistics Table for GRI firms

Variables	Mean	Median	SD	Min Value	Max Value	No. of Observation
GRIQ	0.3891	0.373	0.16	0.098	0.868	127
TAL	24.17	24.21	1.91	19.49	27.24	127
LNAF	15.68	15.53	1.1	13.91	18.64	127
LNTR	23.74	23.69	1.82	19.58	27.07	127
BVPS	21.811	9.2	41.24	0.39	222.77	127
EPSS	0.079231	0.064423	0.09	0.001093	0.986364	127
GRIQEPSS	0.030021	0.022449	0.03	0.0006481	0.3787636	127
LSP	0.009501	0.011818	0.09	-0.2472	0.247554	127
TQ	1.2786	0.8811	1.1	0.1652	5.6451	127

Source: Author

### 4.3 Result of OLS Robust Standard Error Test

$$\text{Model: TQ} = \text{GRIQ} + \text{LNAF} + \text{LNTR} + \text{BVPS} + e$$

Table 11: OLS Robust Standard Error Test

Coefficient	Std.			
	Estimate	Error	t-value	Pr(> t )
INTERCEPT	23.256	10.9	2.13	0.036
GRIQ	0.009	0.005	1.82	0.072
LNAF	-0.067	0.202	-3.31	0.001
LNTR	0.328	0.462	0.71	0.479
BVPS	-0.051	0.006	-2.34	0.022

Adj. R-Squared: 0.7901

GRIQ - GRI quality, LNAF - Audit fees scaled by ln,  
LNTR- Total revenue scaled by ln, BVPS- Book value per  
share, TAL - total asset scaled by ln, TQ-Tobin's Q

Source: Author

From the above figure, it is clear that there is a positive relationship between firm value and GRI quality. The coefficient of 0.0093819 with 95% confidence interval approved it. The coefficient of determination ( $R^2$ ) is 86.52% which shows that 86.52% of variables can explain firm value. The t-test value for GRI quality is 1.82 with a significant p-value of 0.072. Hence according to this result we can accept the null hypothesis. GRI Quality is also showing positive relationship with firm total revenue. However, the relationship of firm value with audit fee and book value per share is estimated negative with a coefficient of 0.067 and 0.051.

#### 4.4 Additional Test

In order to verify this result, an additional test was done by using fixed effect regression model by replacing the firm value to share price from Tobin's Q and the result is attached below. According to the result, there is a positive relation between GRI quality and firm value with a coefficient of 0.075 and significance value of 0.05. The t-value is 1.8576 with a significance level of 0.05. Earning per share is also positively correlated with GRI quality with a coefficient of 0.61 and significance value of 0.000. This result gives us a confidence that increasing the quality of GRI reporting enhances the share price of the firm which ultimately enhances their market value and firm value.

Model:  $SP = GRIQ + EPSS + GRIQEPSS + e$  (where SP = Share Price)

Table 12: Fixed Effect Regression Test Result

Coefficient				
	Estimate	Std. Error	t-value	Pr(> t )
INTERCEPT	0.976	0.078	3.436	0.051
GRIQ	0.075	0.040	1.857	0.064
EPSS	0.61	0.167	3.644	0.000
GRIQEPSS	1.174	0.491	2.389	0.017
R-Squared: 0.231221				
Adj. R-Squared: 0.18384				
GRIQ - GRI Quality, EPSS - Earning per share, GRIQEPSS- GRIQ*EPSS				

Source: Author

In order to compare the GRI firms with Non-GRI firms, author done a logistic regression test where binomial data are used (GRI firms – 1 & Non-GRI firms – 0).

The result of logistic regression is shown in Table 13. The result showed an estimated value of 0.5180 for Tobin's Q (measure for firm value) with a z value of 3.175 at the significant level of 0.001 (p-value). The z value also indicates that 99% of the population was covered as it is 3 standard deviation.

Model: GRI = TQ

Table 13: Logistic Regression Result

Coefficient				
	Estimate	Std. Error	z value	Pr(> t )
INTERCEPT	0.399	0.143	2.79	0.005
TQ	0.518	0.163	3.175	0.001

Source: Author

From above three result, the t-test values are 1.82 and 1.87 respectively with a significant level of 0.05. The R-squared is 86.52% and the coefficient for GRI is positive. The logistic regression result also provided a positive coefficient of firm value with a z value of 3.175. Hence, the null hypothesis is accepted.

#### 4.5 Correlation

Correlation test is done to check the relationship between two variables. In other words, it gives us the sense of interdependence of variables among each other. Author used two methods that are Pearson correlation and Spearman's rho correlation. The result of these correlation can be seen through table 14 and 15 respectively.

Table 14 shows the Pearson Correlation result where the coefficient ranges between +1 to -1 which indicates positive linear and negative linear correlation. The correlation between Tobin's Q and GRIQ is slightly above zero which indicates that there is a little possibility of having a positive linear correlation between firm value and GRI quality. This correlation is considered as weak. It is also shown in between firm value and earning per share which indicates the coefficient of only 0.042. This implies that firm value is not highly effected by earning per shares. The correlation is slightly better between GRI quality and EPSS with a coefficient of 0.078 while GRIQEPSS shows a negative correlation with TQ. The correlation of GRIQEPSS

with GRIQ and EPSS is positive linear with significant values. Share price shows the best correlation with TQ having a coefficient of 0.218 with significant value. GRIQ is also positively correlated with share price which indicates that the share price is highly effected by the reputation of the company. With the rises of firm value, the investors increases resulting in high value of share price. Total asset has a positive correlation with TQ, GRIQ, EPSS and LSP while audit fee is negatively correlated with TQ. It shows that with the increase in asset, firm have enough equity to pay the debt as well as high ability of production resulting in greater revenue.

However, it shows a positive relationship with GRIQ, EPSS, LSP and TAL. The similar story is seen with book value per share who has negative correlation with firm value while positive correlation with other variables. Total revenue shows positive linear relationship with all other variables with highly correlated with total asset and audit fee that indicates that firm with higher revenue don't have any issue with audit fees while the firms with small revenue hesitate to invest revenue in reporting. GRI quality has the best linear positive correlation with total asset, audit fee, GRIQEPSS, total revenue and book value per share while firm value shows a mixed correlation with other variables. The correlations vary to positive linear to negative linear. The overall correlation of TQ with other variables are considered weak as it tends towards zero.

Table 14: Pearson Correlation Result

Pearson Correlations									
	TQ	GRIQ	EPSS	GRIQEPS S	LSP	TAL	LNAF	LNTR	BVPS
TQ	1								
GRIQ	0.029	1							
EPSS	0.042	0.078	1						
GRIQEPS S	-0.008	.444**	.816**	1					
LSP	.218**	0.059	.194**	0.109	1				
TAL	0.046	.253**	0.061	0.117	0.129	1			
LNAF	-.163*	.363**	0.021	.133*	0.086	.607**	1		
LNTR	0.091	.228**	0.043	0.119	.142*	.889**	.477**	1	
BVPS	-0.026	.266**	.198**	.318**	0.026	.445**	.181**	.397**	1
**. Correlation is significant at the 0.01 level									
*. Correlation is significant at the 0.05 level									

Source: Author

Table 15 shows the result of Spearman's rho Correlation. According to the table, the correlation between firm value and GRI quality is positive but weak as its very near to zero. Firm value is positively correlated with all other variables except audit fee where the correlation moves to a negative side. GRI quality is positively correlated to all other variables where its correlation with GRIQEPSS and LNAF is

highly correlated. EPSS is also showing a positive correlation with all other variable with high correlation with GRIQEPSS and LSP. Total asset correlation with total revenue and book value per share is very strong and its very near to a perfect positive correlation. Audit fee is also showing a great correlation with total revenue and book value per share as same as total revenue with book value per share.

Table 15: Spearman's rho Correlation Result

<b>Spearman's rho Correlations</b>									
	TQ	GRIQ	EPSS	GRIQEPSS	LSP	TAL	LNAF	LNTR	BVPS
TQ	1								
GRIQ	0.089	1							
EPSS	.170*	0.115	1						
GRIQEPSS	.168*	.747**	.517**	1					
LSP	.296**	0.105	.344**	.272**	1				
TAL	0.007	.232**	0.109	.207**	.175**	1			
LNAF	-.169*	.416**	0.051	.311**	0.128	.588**	1		
LNTR	0.030	.195**	0.075	.172**	.177**	.878**	.456**	1	
BVPS	0.043	.249**	.300**	.358**	0.097	.538**	.362**	.478**	1

Source: Author

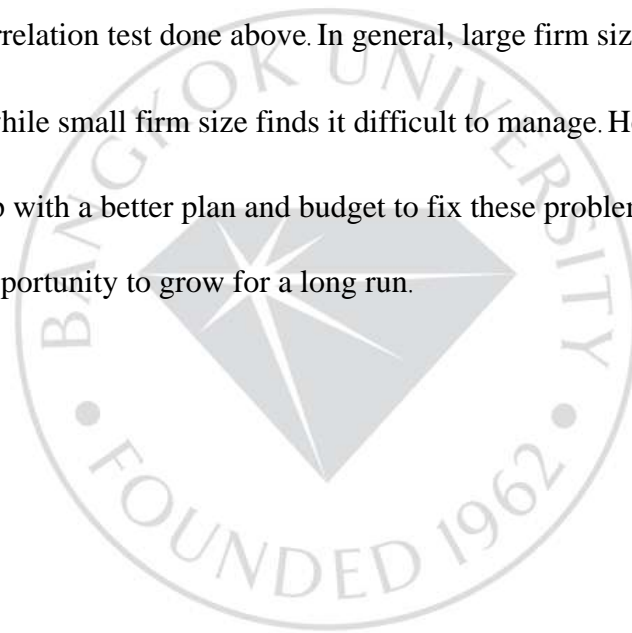


Both correlation table shows a weak correlation between firm value and GRI quality but the coefficient is positively correlated. The GRI quality is positively correlated with all other variables according to the above mentioned correlation result tables.

#### **4.6 Conclusion**

The aim of this study was to determine the relationship between GRI quality and firm value and to do so we checked the null hypothesis with various statistical methods. The results of regression showed that there is a positive effect of GRI quality to the firm value. The result was tested by changing the firm value to share price and result was supported by the previous one. To determine the difference between GRI and Non-GRI firms, logistic regression was implemented and gave the same result. These result give author enough evidence and confidence to accept the null hypothesis even though the correlation table shows a weak relationship between firm value and GRI quality. It can be a result of limited size of samples as well as the small mean size of GRI quality. The firm in Thailand is still take CSR as a voluntary service which was reflected by the GRI quality graph. This result is helpful for the firms to understand the importance of sustainability reporting on the basis of GRI guidelines in order to enhance their firm value. Based on the result, the author suggests the following points-

- The GRI quality has a positive effect on firm value. Hence firm need to take it seriously and try to improve the quality. The best way to improve it to understand the performance indicator and used them in their reports. This will provide them an edge against their competitors and especially those who don't use it in reporting.
- Audit fees is negatively correlated with the firm value. It can be seen through both correlation test done above. In general, large firm size absorbs these cost easily while small firm size finds it difficult to manage. Hence firms need to come up with a better plan and budget to fix these problems as they can see it as an opportunity to grow for a long run.



## CHAPTER 5

### DISCUSSION

#### 5.1 Hypothesis Summary

The research started with a null hypothesis where the author was keen to examine the relationship between the GRI quality and the firm value of Thai firms and wanted to see the difference between GRI and Non-GRI firm. The hypothesis was built by using the previous study done on related topic and the related theories which was stakeholder and legitimate theory. Once the hypothesis was build, author choose the variables and data analysis methods and finally analyze the data. The result of data analysis is discussed in previous chapter. The result shown the positive effect of GRI quality on firm value and enough evidence to the author to accept the null hypothesis.

#### 5.2 Discussion

Sustainability is not a new topic in this era however it is now seriously considering by stakeholders and consumers which gave an extra pressure on firm to change their thought process and business strategies to sustain in this competitive market. Most of the successful firms already implemented it as their day to day activity and used it to improve their value which ultimately increased their firm reputation and wealth. In Thailand, social responsibility is considered as a voluntary work and it is present in the society from many years. The society experienced a “patron-client” principles in which the upper positioning citizen need to provide the

welfare of the lower rank, getting respect, service and loyalty in return (Pimpa, 2014). The art of benevolent is a portion of principles and the Buddhist ritual of legitimacy creation, which for the most part has been done through generosity, donations, supporting and sponsorship (Rajanakorn, 2012).

With the increase of GRI popularity globally and the indulgence of SET Thailand, the firms in Thailand slowly started using these guidelines in their reporting. However, it is still a long way to go as GRI is not mandatory in Thailand and firm have very less information about it. The sample set of this study suggest that less than 10% of the firms at SET Thailand published their report on these guidelines and also their quality is not so good. From past one decade, researchers have done the study and shown the positive, negative and mixed result of it on firm value and performance. Majority of these study suggested that inclusion of GRI guidelines improved the value and performance of the firm.

This research also supports those studies and found a positive significant relationship between firm value and GRI quality. Hence the managers of Thai firms need to reconsider this as a mandatory process and use it as a strategy to attract more investors, customers and stakeholders as legitimacy theory suggest that with the increase of firm legitimacy, their reputation and consumer behavior towards them changes, resulted in a rise in firm value and performance.

### **5.3 Recommendation for Further Application**

This research can be a fruitful note to the managers of the Thai firm to understand the impact of the GRI guidelines in sustainability report and can understand the importance of it in developing the firm value. This result can be used by SET Thailand to motivate the firms in Thailand to start implementing GRI guidelines in their sustainability report as well as Non-GRI firms to start using it. Furthermore, it can be useful to the investors who wish to invest their money on Thai firms. They can check the GRI quality of the Thai firms before making their decision. The concept and the findings of this study can be used for further research.

### **5.4 Recommendation for Further Research**

Due to time limitation, author only examine the relationship between firm value and GRI quality with 4 years of data set. However, there are many ideas which can be implemented to do a further study-

- Examine the relationship between firm performance and GRI quality
- Examine how GRI can create a legitimacy among stakeholders
- Examine the difference of relationship of firm value and firm performance with GRI quality for developing and developed countries.
- Examine the effect of Audit fees on GRI report publication.

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## Appendix

### Appendix 1: GRI G4 Performance Indicator

<b>G4 ECONOMIC PERFORMANCE</b>	
201-1	Direct economic value generated and distributed
201-2	Financial implications and other risks and opportunities due to climate change
201-3	Defined benefit plan obligations and other retirement plans
201-4	Financial assistance received from government
202-1	Ratios of standard entry level wage by gender compared to local minimum wage
202-2	Proportion of senior management hired from the local community
203-1	Infrastructure investments and services supported
203-2	Significant indirect economic impacts
204-1	Proportion of spending on local suppliers
<b>G4 ENVIROMENTAL PERFORMANCE</b>	
301-1	Materials used by weight or volume
301-2	Recycled input materials used
302-1	Energy consumption within the organization
302-2	Energy consumption outside of the organization
302-3	Energy intensity
302-4	Reduction of energy consumption
302-5	Reductions in energy requirements of products and services
303-1	Water withdrawal by source
303-2	Water sources significantly affected by withdrawal of water
303-3	Water recycled and reused
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
304-2	Significant impacts of activities, products, and services on biodiversity
304-3	Habitats protected or restored

304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations
305-1	Direct (Scope 1) GHG emissions
305-2	Energy indirect (Scope 2) GHG emissions
305-3	Other indirect (Scope 3) GHG emissions
305-4	GHG emissions intensity
305-5	Reduction of GHG emissions
305-6	Emissions of ozone-depleting substances (ODS)
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions
306-1	Water discharge by quality and destination
306-2	Waste by type and disposal method
306-3	Significant spills
306-4	Transport of hazardous waste
306-5	Water bodies affected by water discharges and/or runoff
G4-EN27	Extent of impact mitigation of environmental impacts of products and services
301-3	Reclaimed products and their packaging materials
307-1	Non-compliance with environmental laws and regulations
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce
G4-EN31	Total environmental protection expenditures and investments by type
308-1	New suppliers that were screened using environmental criteria
308-2	Negative environmental impacts in the supply chain and actions taken
<b>G4 SOCIAL PERFORMANCE</b>	
<b>CATEGORY: LABOR PRACTICE AND DECENT WORK</b>	
401-1	New employee hires and employee turnover
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
401-3	Parental leave



402-1	Minimum notice periods regarding operational changes
403-1	Workers representation in formal joint management–worker health and safety committees
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
403-3	Workers with high incidence or high risk of diseases related to their occupation
403-4	Health and safety topics covered in formal agreements with trade unions
404-1	Average hours of training per year per employee
404-2	Programs for upgrading employee skills and transition assistance programs
404-3	Percentage of employees receiving regular performance and career development reviews
405-1	Diversity of governance bodies and employees
405-2	Ratio of basic salary and remuneration of women to men
414-1	New suppliers that were screened using social criteria
414-2	Negative social impacts in the supply chain and actions taken
<b>CATEGORY: HUMAN RIGHTS</b>	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
412-2	Employee training on human rights policies or procedures
406-1	Incidents of discrimination and corrective actions taken
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
408-1	Operations and suppliers at significant risk for incidents of child labor
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor
410-1	Security personnel trained in human rights policies or procedures

411-1	Incidents of violations involving rights of indigenous peoples
412-1	Operations that have been subject to human rights reviews or impact assessments
414-1	New suppliers that were screened using social criteria
414-2	Negative social impacts in the supply chain and actions taken
<b>CATEGORY: SOCIETY</b>	
413-1	Operations with local community engagement, impact assessments, and development programs
413-2	Operations with significant actual and potential negative impacts on local communities
205-1	Operations assessed for risks related to corruption
205-2	Communication and training about anti-corruption policies and procedures
205-3	Confirmed incidents of corruption and actions taken
415-1	Political contributions
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
419-1	Non-compliance with laws and regulations in the social and economic area
414-1	New suppliers that were screened using social criteria
414-2	Negative social impacts in the supply chain and actions taken
<b>CATEGORY: PRODUCT RESPONSIBILITY</b>	
416-1	Assessment of the health and safety impacts of product and service categories
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
417-1	Requirements for product and service information and labeling
417-2	Incidents of non-compliance concerning product and service information and labeling
417-3	Incidents of non-compliance concerning marketing communications
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data

419-1	Non-compliance with laws and regulations in the social and economic area
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes
PR5	Practices related to customer satisfaction, including results of surveys
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services

## Appendix 2: Matching GRI firms to Non-GRI Firms

GRI COMPANY LIST			NON-GRI COMPANY LIST		
SECTORS	Accum TA	Avg TA	SECTORS	Accum TA	Avg TA
<b>AGRO &amp; FOOD</b>					
seafresh industry PCL	2E+10	5E+09	CHUMPORN PALM OIL INDUSTRY PUBLIC COMPANY LIMITED	1.8E+10	4.468E+09
GFPT PCL	7E+10	2E+10	KASET THAI INTERNATIONAL SUGAR CORPORATION PUBLIC COMPANY LIMITED	7.1E+10	1.784E+10
HAAD THIP PCL	2E+10	5E+09	UNIVANICH PALM OIL PUBLIC COMPANY LIMITED	1.5E+10	3.823E+09
PREMIER MARKETING PCL	1E+10	3E+09	SAPPE PUBLIC COMPANY LIMITED	1.2E+10	2.881E+09

THAI VEGETABLE OIL PCL	5E+10	1E+10	KHONBURI SUGAR PUBLIC COMPANY LIMITED	4E+10	1.01E+10
<b>CONSUMER PRODUCT</b>					
S&J INTERNATIONAL ENTERPRICES PCL	2E+10	5E+09	PRANDA JEWELRY PUBLIC COMPANY LIMITED	1.7E+10	4.257E+09
<b>INDUSTRIALS</b>					
AAPICO HITECH PCL	6E+10	2E+10	THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED	6.6E+10	1.645E+10
INOUE RUBBER (THAILAND) PCL	2E+10	5E+09	TPBI PUBLIC COMPANY LIMITED	1.8E+10	4.466E+09
P.C.S MACHINE GROUP HOLDING PCL	2E+10	5E+09	THE SIAM PAN GROUP PUBLIC COMPANY LIMITED	2.1E+10	5.3E+09
SOMBOON ADVANCE TECHNOLOGY PCL	4E+10	9E+09	THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED	3.5E+10	8.666E+09
SNC FORMER PCL	2E+10	5E+09	GOODYEAR (THAILAND) PUBLIC COMPANY LIMITED	2.3E+10	5.847E+09
SIAM STEEL SERVICE CENTER PCL	1E+10	4E+09	PACIFIC PIPE PUBLIC COMPANY LIMITED	1.8E+10	4.464E+09
THAI STEEL CABLE PCL	1E+10	3E+09	ASEFA PUBLIC COMPANY LIMITED	9.3E+09	2.321E+09
TATA STEEL (THAILAND) PCL	5E+10	1E+10	SRITHAI SUPERWARE PUBLIC COMPANY LIMITED	4.1E+10	1.019E+10
<b>PROPERTY &amp; CONSTRUCTION</b>					
AMATA CORPORATION PCL	2E+11	4E+10	ANANDA DEVELOPMENT PUBLIC COMPANY LIMITED	1.5E+11	3.64E+10
L.P.N DEVELOPMENT PCL	6E+10	2E+10	TOA PAINT (THAILAND) PUBLIC COMPANY LIMITED	4.5E+10	1.491E+10
PREMIER PRODUCTS PCL	8E+09	2E+09	QUALITY CONSTRUCTION PRODUCTS PUBLIC COMPANY LIMITED	8.4E+09	2.1E+09
PRUSKA HOLDING PCL	3E+11	8E+10	SIAM CITY CEMENT PUBLIC COMPANY LIMITED	3E+11	7.524E+10
THE SIAM CEMENT PCL	3E+11	8E+10	BANGKOK LAND PUBLIC COMPANY LIMITED	2.6E+11	6.467E+10
SYNTEC CONSTRUCTION PCL	4E+10	1E+10	JCK INTERNATIONAL PUBLIC COMPANY LIMITED	3.7E+10	9.227E+09
<b>RESOURCES</b>					
B.GRIMM POWER PCL	3E+11	1E+11	GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED	3.6E+11	1.195E+11
BANPU POWER PCL	2E+11	5E+10	SUPER ENERGY CORPORATION PUBLIC COMPANY LIMITED	2E+11	5.007E+10
ENERGY ABSOLUTE PCL	2E+11	5E+10	SUPER ENERGY CORPORATION PUBLIC COMPANY LIMITED	2E+11	5.007E+10
EASTERN WATER RESOURCES DEVELOPMENT AND	8E+10	2E+10	WHA UTILITIES AND POWER PUBLIC COMPANY LIMITED	7.2E+10	2.386E+10

MANAGEMENT PCL					
RATCHABURI ELECTRICITY GENERATING HOLDING PCL	4E+11	1E+11	BANGCHAK CORPORATION PUBLIC COMPANY LIMITED	4.6E+11	1.153E+11
<b>SERVICES</b>					
BANGKOK EXPRESSWAY AND METRO PCL	4E+11	1E+11	FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED	4.1E+11	1.023E+11
BETTER WORLD GREEN PCL	3E+10	6E+09	COM7 PUBLIC COMPANY LIMITED	2.9E+10	7.188E+09
CENTRAL PLAZA HOTEL PCL	1E+11	3E+10	SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED	1.2E+11	3.08E+10
HOME PRODUCT CENTER PCL	2E+11	5E+10	SIAM MAKRO PUBLIC COMPANY LIMITED	2.4E+11	5.939E+10
THAI BRITISH SECURTY PRINTING PCL	4E+09	1E+09	FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED	2.7E+09	909856667
<b>TECHNOLOGY</b>					
DELTA ELECTRONICS (THAILAND) PCL	2E+11	5E+10	JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED	2.2E+11	5.523E+10
INTOUCH HOLDING PCL	2E+11	5E+10	CAL-COMP ELECTRONICS (THAILAND) PUBLIC CO., LTD.	2.3E+11	5.867E+10
PREMIER TECHNOLOGY PCL	7E+09	2E+09	BLISS-TEL PUBLIC COMPANY LIMITED	8.2E+09	2.059E+09
THAICOM PCL	1E+11	2E+10	SAMART CORPORATION PUBLIC COMPANY LIMITED	9E+10	2.253E+10
<b>MAI LISTED COMPANIES</b>					
<b>INDUSTRISALS</b>					
CHO THAVEE PCL	1E+10	3E+09	PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED	1.1E+10	2.705E+09
<b>RESOURCES</b>					
ASIA GREEN ENERGY PCL	1E+10	4E+09	TIRATHAI PUBLIC COMPANY LIMITED	1.3E+10	3.245E+09

### Appendix 3: Coding of GRI and Non-GRI firms

GRI COMPANY LIST	Company code
seafresh industry PCL	1111
Charoen Pokphan foods PCL	1113
GFPT PCL	1114
HAAD THIP PCL	1116
MINOR INTERNATIONAL PCL	1118
PREMIER MARKETING PCL	1119
SRI TRANG AGRO-INDUSTRY PCL	1121
THAI VEGETABLE OIL PCL	1122

S&J INTERNATIONAL ENTERPRICES PCL	1124
AAPICO HITECH PCL	1126
INOUE RUBBER (THAILAND) PCL	1128
P.C.S MACHINE GROUP HOLDING PCL	1130
PTT GLOBAL CHEMICAL PCL	1132
SOMBOON ADVANCE TECHNOLOGY PCL	1133
SNC FORMER PCL	1135
SIAM STEEL SERVICE CENTER PCL	1137
THAI STEEL CABLE PCL	1139
TATA STEEL (THAILAND) PCL	1141
AMATA CORPORATION PCL	1143
CH.KARNCHANG PCL	1145
L.P.N DEVELOPMENT PCL	1146
PREMIER PRODUCTS PCL	1148
PRUSKA HOLDING PCL	1150
THE SIAM CEMENT PCL	1152
SYNTEC CONTRUCTION PCL	1154
BANGKOK AVAIIATION FUEL SERVICE PCL	1156
BANPU PCL	1157
B.GRIMM POWER PCL	1158
BANPU POWER PCL	1160
ENERGY ABSOLUTE PCL	1162
EASTERN WATER RESOURCES DEVELOPMENT AND MANAGEMENT PCL	1164
ELECTRICITY GENERATING PCL	1166
IRPC PCL	1167
PTT EXPLORATION AND PRODUCTION PCL	1168
RATCHABURI ELECTRICITY GENERATING HOLDING PCL	1169
TTW PCL	1171
AIRPORTS OF THAILAND PCL	1172
BANGKOK EXPRESSWAY AND METRO PCL	1173
BETTER WORLD GREEN PCL	1175
CENTRAL PLAZA HOTEL PCL	1177
CP ALL PCL	1197
HOME PRODUCT CENTER PCL	1179
THAI BRITISH SECUIRTY PRINTING PCL	1181
DELTA ELECTRONICS (THAILAND) PCL	1183
INTOUCH HOLDING PCL	1185
PREMIER TECHNOLOGY PCL	1187
THAICOM PCL	1189

TRUE CORPORATION PCL	1191
CHO THAVEE PCL	1192
PROJECT PLANNING SERVICE PCL	1194
ASIA GREENE ENERGY PCL	1195
<b>NON-GRI COMPANY LIST</b>	<b>Company code</b>
CHUMPORN PALM OIL INDUSTRY PUBLIC COMPANY LIMITED	1112
KASET THAI INTERNATIONAL SUGAR CORPORATION PUBLIC COMPANY LIMITED	1115
UNIVANICH PALM OIL PUBLIC COMPANY LIMITED	1117
SAPPE PUBLIC COMPANY LIMITED	1120
KHONBURI SUGAR PUBLIC COMPANY LIMITED	1123
PRANDA JEWELRY PUBLIC COMPANY LIMITED	1125
THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED	1127
TPBI PUBLIC COMPANY LIMITED	1129
THE SIAM PAN GROUP PUBLIC COMPANY LIMITED	1131
THAI CENTRAL CHEMICAL PUBLIC COMPANY LIMITED	1134
GOODYEAR (THAILAND) PUBLIC COMPANY LIMITED	1136
PACIFIC PIPE PUBLIC COMPANY LIMITED	1138
ASEFA PUBLIC COMPANY LIMITED	1140
SRITHAI SUPERWARE PUBLIC COMPANY LIMITED	1142
ANANDA DEVELOPMENT PUBLIC COMPANY LIMITED	1144
TOA PAINT (THAILAND) PUBLIC COMPANY LIMITED	1147
QUALITY CONSTRUCTION PRODUCTS PUBLIC COMPANY LIMITED	1149
SIAM CITY CEMENT PUBLIC COMPANY LIMITED	1151
BANGKOK LAND PUBLIC COMPANY LIMITED	1153
JCK INTERNATIONAL PUBLIC COMPANY LIMITED	1155
GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED	1159
SUPER ENERGY CORPORATION PUBLIC COMPANY LIMITED	1161
SUPER ENERGY CORPORATION PUBLIC COMPANY LIMITED	1163

WHA UTILITIES AND POWER PUBLIC COMPANY LIMITED	1165
BANGCHAK CORPORATION PUBLIC COMPANY LIMITED	1170
FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED	1174
COM7 PUBLIC COMPANY LIMITED	1176
SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED	1178
SIAM MAKRO PUBLIC COMPANY LIMITED	1180
FIRETRADE ENGINEERING PUBLIC COMPANY LIMITED	1182
JASMINE INTERNATIONAL PUBLIC COMPANY LIMITED	1184
CAL-COMP ELECTRONICS (THAILAND) PUBLIC CO., LTD.	1186
BLISS-TEL PUBLIC COMPANY LIMITED	1188
SAMART CORPORATION PUBLIC COMPANY LIMITED	1190
PANJAWATTANA PLASTIC PUBLIC COMPANY LIMITED	1193
TIRATHAI PUBLIC COMPANY LIMITED	1196







## Mishkat Ullah

Master of Business  
Administration- candidate

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### Skills

Project Management

Production Planning &  
Control

Business Development

International Coordination

Financial Analysis

Teamwork & Leadership

Facilitation & Negotiation

CSR & GRI

Microsoft Office: Excel,  
Words, PowerPoint, Access  
and Outlook

## SUMMARY

A versatile, committed and result oriented professional with an understanding of Production Planning and control, Project management and Quality Control in the field of Automotive (Precision Machining). In addition to that, I have a good understanding about the equipment's of LNG (Liquefied Natural Gas) Terminal.

A better understanding of Finance (Firms Financial performance, Investment & Return, Share value, CSR, GRI and Budgeting).

Self-Motivated, Hardworking and confident to take challenging assignments.

## WORK EXPERIENCE

### 1. International Coordinator

Dec 2019- March 2020 - **Unique-Quad Co., Ltd, Thailand**

- Coordinate & Communicate with overseas Customers and suppliers
  - Communicate with the overseas suppliers via email and call (Japan, USA, Germany, Netherlands, Singapore) for distributorship in Thailand for Map Ta Phut industrial estate 3 LNG terminal equipment's.
  - Prepare the Consultant Agreement file for the Suppliers.
  - Arrange meeting between suppliers and customers.
  - Communicate with customers (Gulf Thailand & Ptt LNG Thailand) for their equipment's and service requirements.
  - Initiate Business deals, get quotations, negotiate, and follow up for new product requirement from customers
  - Support sales strategy activities and implementation base on company policies

### Successful Projects:

- Overhaul of an Ammonia Pump (Ebara International Corporation)– PTT LNG Thailand
- Contract Agreement with tier 1 companies - Oval Thailand & Torishima Pump Thailand
- Contract Agreement with tier 2 companies – B.T. Controls co., Ltd (Adam valves), Asia-pacific supply Co., Ltd (Muller co., Ltd & Diado Machines) & kruger fans
- Ongoing Projects- LNG satellite station (JFE, Japan), Fire Fighting Truck (Pierce, Singapore), Fire Fighting Equipment's (Kiddle, Singapore) & Electro-chlorination Package (Hitachi-Zoshen co., ltd, Japan).

### 2. Business Development Engineer

May 2017-Nov 2019 - **Micromatics\_Colbree Group, Thailand**

- Project Management
  - Handle all the RFQ from customer, Feasibility study, Prepare Quotation and negotiation.
  - Prepare Purchase order contract review
  - Prepare project Plan and continuous follow up to deliver the assignment on time.
  - Communicate with engineering team and Quality team for the preparation of Process Plan, Control Plan and ISIR/FAI report.
  - Meeting with Material, Special process and outsourced suppliers for new and ongoing projects.

## Languages

English (Fluent)

Hindi (Native)

Thai (Beginner)

## Accomplishments

H.M.King's Scholarship  
(Royal Thai Government)

Gold Medal (Bachelors)

Meritorious Student (Bachelors)

Star Award  
(Micromatics\_Colbree Group)

## Certifications

AS9100 – internal audit &  
Awareness  
Training certificate from BHEL,  
INDIA

## Co-Curriculum Activities

Student Union at AIT, Bangkok

1. General Secretary
2. Chairperson-  
Accommodation
3. Coordinator- Media &  
Sports

National Service Scheme (NSS)  
Volunteer – 2 years (2011-2013)

Sports

1. Coordinator Indo-Thai  
Sports meet 2016
2. Active Member of Indo-  
Thai running Club
3. Active member of AIT  
Cricket team & BBCC  
cricket team

## Personal Info

Nationality: Indian

Date of Birth: 15/11/1992

Marital Status: Single

Gender: Male

- Production Planning and Management.
  - Prepare Quarterly, Monthly and weekly Production Plan and send it to Production Supervisor.
  - Daily Meeting with production Supervisor for the Production updates/problems.
  - Planning and Managing Production overtime.
  - Discussion with Quality Team for source of Part rejections and continuous improvement.
  - Prepare the Plan for Material purchasing, Special Process and outsourcing.
- Handling International & National Clients –(Thailand, UK, Germany, USA and Australia)
  - Handle all the Inquiries, Meetings, Complaints and Requirements
- Sales Management
  - Continuous follow up to customers for Purchase Order Prepare Quarterly and Monthly Sales Forecast
  - Follow up all the RFQ in order to get more projects
  - Prepare sales report (Monthly, quarterly and Annually) and present it to Managing Director
- Overall Development of a company
  - Meeting with engineering team for Process Improvement, Cycle Time reduction and Quality improvement.
  - Research new business strategies to be competitive in the market.
  - Find new suppliers of Materials and Special process for cost reduction.
  - Aware about company financial performance and look after different departments budget planning and usage.

### Successful Projects:

1. Motorcycle Parts from Triumph, Thailand & UK
2. Mechanical Part from Brink GmbH, Germany
3. Electronics part (Shaft & Flange) from USUI International, Thailand
4. Aerospace Parts from BKF Aerospace, Thailand

## **EDUCATION**

Aug 2019 – Feb 2021

### **Master of Business Administration**

Bangkok University  
Bangkok, Thailand

Aug 2015 – May 2017

### **Masters in Engineering (Major-Mechatronics)**

Asian Institute of Technology  
Bangkok, Thailand

Aug 2011 – May 2015

### **Bachelor of Technology (Electrical Engg.)**

Sam Higginbottom Institute of Agriculture, Technology & Sciences  
Allahabad, India

**Bangkok University**

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