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## TRANSPARENCY OF AGRICULTURE COMPANIES: RATIONALE OF RESPONSIBLE INVESTMENT FOR BETTER DECISION MAKING UNDER SUSTAINABILITY

**Purpose.** The purpose of the article – to explore transparency under sustainability among agricultural companies in Ukraine (company “Kernel”) and the Czech Republic (company “Agrofert”) with further recommendations and implications related to reporting.

**Methodology / approach.** Qualitative estimations of sustainability transparency are based on Sustainability Transparency Index (STI) calculations. Methodology of this index is based on binary estimations of a number of transparency criterions including links to sustainability information; existence of sustainable development policy; availability of sustainability and SDG reports; disclosure according to ESG criteria and specifics SDGs as well as other relevant goals related to SDG and sustainable development.

**Results.** Sustainability transparency from 2016 till 2019 in Agrofert and Kernel was almost the same. But since 2019 after Kernel introduced a number of steps to increase its transparency the situation has changed dramatically. STI index has increased from 32 in 2019 to 80 in 2021. STI values for Agrofert were unchanged in 2020 (the latest available period of analysis). As a result, Kernel’s financial results and indicators have demonstrated significant improvement both absolute and relative. For example, net profit increased by more than 1000 %, investment cash-flow by 100 %, ROE – by 500 % and ROIC by 140 %.

**Originality / scientific novelty.** New empirical results based on qualitative estimations of sustainability transparency for the agriculture companies from different countries are provided. Current study covers the existing research gap, proved by bibliometric analysis tool, for instance in pure academic discussion in measurement, comparison and benchmarking of agricultural companies’ transparency for the responsible investment purpose. Recommendations for sustainability transparency improvement are proposed. They are intended on better perception of sustainability ideology and incorporation of ESG/SDG criterion by agriculture companies in Ukraine and especially Czech Republic, levelling the informational asymmetry and moral risks for their investors and create better investment rationale for decision making under sustainability.

**Practical value / implications.** The most efficient steps include the following ones: development and implementation of sustainability policy; emergence of specific reports based on ESG criteria; implementation of SDGs in activity of the company with further prioritization of these criteria within two groups. Further study in this field might be devoted to sustainability transparency comparison for agriculture companies in different branch in Ukraine and Czech Republic. Spreading the scope

and sample of research allows making cross-industries STI benchmarking analysis.

**Key words:** *sustainability, transparency, agriculture, investment.*

**Introduction and review of literature.** Agriculture plays a fundamental role in daily life, providing livelihoods for one-third of the global population and enabling food production. The sector accounts for 9.5 % of gross domestic product (GDP) across developing countries and 26 % of GDP for the least-developed countries in the world. In 2018, agriculture added 3.3 trillion USD to the world economy, up 50 % from 2008. Agriculture is one of the key spheres to achieve Sustainable Development Goals (SDGs), because it deals with food security, hunger, waste-free production and reduction of environmental pollution. Agriculture provides impact on the multiple SDGs from “No Poverty” (SDG 1) to “Zero Hunger” (SDG 2) and “Sustainable Consumption and Production” (SDG 12).

According to the Global Institutional Investor survey (MSCI Investment Insights, 2021), over three-quarters (77 %) of investors increased ESG (Environmental, Social and Governance) investments “significantly” or “moderately” in 2020, with this figure rising to 90 % for the largest institutions (over 200 billion USD of assets). Despite the evidence that sustainable management practices are important for business, ESG-efforts in agriculture are very limited. Low perception of sustainability ideology and poor ESG/SDG disclosure by companies brought up high level of informational asymmetry and moral risks and create challenges to responsible investment rationale for agriculture companies in Ukraine and the Czech Republic.

International private sector investment flows to developing and transition economies in agriculture fell by 57 % in 2020 because of the COVID-19 pandemic (UNCTAD, 2020). Decrease in such investments affected food security mostly in developing countries and transitive economies. Ensuring rationale for investment in agricultural companies, taking into account the post-pandemic sustainable recovery (Environmental, Social and Governance ESG investment) and progress in sustainable agriculture is the most relevant for SDG 1 “No poverty”, 2 “Zero hunger” and 12 “Sustainable consumption and production” (UNCTAD, 2016). These goals are primary associated with agriculture investment according to GIIN (Sunderji et al., 2020) and the highest affected by investment drop (SDG 2 “Zero Hunger” (68 %), “No Poverty” (57 %)). The basis for responsible investment decision-making in agriculture companies is their sustainability reporting and level of accountability, transparency within the progress of certain SDGs according to main stakeholder’s requests (Brin & Nehme, 2021).

Information transparency is a key element in the context of sustainability within the Investment Policy for Sustainable Development (IPFSD) of the International Conference on Trade and Development (UNCTAD, 2015), a key component of corporate governance under the Principles of Corporate Governance (OECD) and the country G20 (G20/OECD), a guarantee of the company’s compliance with global challenges and needs of society and stakeholders and investor in the first place (GRI).

The fundamental principle of Food and Agriculture Business Principles (FAO) is

“encourage good governance and accountability”, which requires agriculture companies to be transparent and highlight their influence, and stakeholder value creation. The focus of agricultural companies on these principles is an indicator of their high environmental and social responsibility. Achieving a certain level of transparency helps to increase the companies’ investment rationale and the ability to allocate and recoup investments in SDGs (FAO). The key areas for the sustainability disclosure for agriculture companies’ stakeholders, Sustainability Assessment of Food and Agriculture systems guidelines (SAFA, 2014; AccountAbility, 2015) include: good governance, environmental integrity, economic sustainability and social well-being. It allows creating a transparent and comprehensive framework for highlighting key stakeholders’ sustainability requests in this sector of the economy. Nevertheless, according to Gardner (2019) the issues of transparency and sustainability in global agriculture supply chains are poorly investigated and there is a need to develop ways in which transparency can improve sustainability governance.

Ukraine’s adoption of a national SDGs target system in 2017 unites it with the global community. However, the level of SDGs progress in Ukraine compared to the 50 leading countries in the world is low – 47<sup>th</sup> out of 193 countries in the 2020 Global SDG Indicators Database (Sachs et al., 2020). The Czech Republic demonstrates higher progress in SDG achievement comparing to Ukraine (8<sup>th</sup> out of 193). However, significant challenges in SDG 2 achievement and its investment provision remain for both countries. Sukhonos & Makarenko (2019) showed that stakeholder engagement and transparency were covered only in the biggest Ukrainian agriculture companies. At the same time, SDGs 2 and 12 are partially integrated into sustainability investment strategies and reporting of Ukrainian agriculture companies (CSR Ukraine, 2020; The UN Global Compact Network, 2021).

The Czech Republic has fully integrated the requirements of Directive 2014/95/EU into national legislation (Member State Implementation of Directive 2014/95/EU, Amending Act No. 563/1991 Coll. On Accounting) according sustainability disclosure. However, according to the Ministry of Industry and Trade of the Czech Republic, the Preparation of the National Action Plan for Corporate Social Responsibility in the Czech Republic 2019–2023 is on schedule. So, the level of ESG/SDG transparency in both countries is relatively low.

Low perception of sustainability ideology and pure ESG/SDG disclosure by other companies brought up high level of informational asymmetry and moral risks and create challenges to responsible investment rationale for agriculture companies in both countries. One more important reason for deepening these challenges is emerging character of the scientific research in the field of agriculture companies’ transparency and investment rationale under sustainability.

Using different techniques of bibliometric analysis, a literature review of agriculture company’s transparency issues was made. Specific search queries (Table 1) were addressed to the following data bases: WoS (analyzed within in-built instruments), Scopus (in-built instruments), Google Scholar (Publish or Perish (PoP)).

All search queries on these databases were performed for the period 2015–2022

in accordance with the adoption of the SDGs in 2015. The most relevant subject area was for Scopus – Business, Management and Accounting, for WoS – Business and Management. There were no subject area restrictions when using Publish or Perish for Google Scholar. The most relevant search topics, as well as the most cited articles, were selected from the search databases.

*Table 1*

**Static analysis of agriculture companies’ transparency and other relevant queries in academic literature over the period 2015–2021 as of April, 1, 2022**

Searched term	Found results		
	Scopus	PoP	WoS
Transparency	771	<1000	2308
Sustainability AND Transparency	212	870	308
Sustainability Transparency AND Investment	58	210	145
Sustainability Transparency AND Ukraine	10	120	5*
Sustainability Transparency AND Czech	5	62	2
Sustainability Transparency AND Investment AND Agriculture	3	10	4

*Note.* \* 2 articles are dubbed in WoS and Scopus.

*Source:* compiled by authors via WoS, Scopus in-built instruments, and Publish or Perish.

In particular, scientists have various approaches to studying the transparency in agricultural companies in different ways, using different regions and branches. However, these studies give the transparency an important role in promoting SDGs values. Gisladdottir et al. (2021) on the example of agricultural companies engaged in the sustainable management of renewable resources in Ukraine, Iceland and Romania emphasize the importance of access to the sphere not only of large, vertically integrated companies, but also small players, which increases transparency in agriculture. Abdullah (2020) on the example of agricultural companies in Southeast Asian region proves the link between sustainability transparency and firm performance. Santos et al. (2021) examining the level of transparency of the 150 largest agricultural holdings in Brazil, proves that it depends on the segment of the company, media pressure, the degree of environmental pollution and is important for promoting CSR policy.

In contrast to previous research in a sectoral or regional context, the study of global food supply chain and agriculture supply chain transparency shows the importance of modern blockchain and digital technologies for agricultural companies to increase trust between stakeholders and chain companies (Cole et al., 2019; Francisco & Swanson, 2018; Koberg & Longoni, 2019; Pandey, 2022; Kamble et al., 2020).

The national context of Ukraine and the Czech Republic in ensuring companies’ transparency is a relatively new topic. In particular, Czech researchers focus on the general issues of transparency and corporate sustainability, improvement corporate social performance through sustainability indicators (Dočekalová et al., 2015; Dočekalová et al., 2018; Krechovská, 2019). Particular issues of agricultural companies’ transparency are insufficiently covered.

In Ukraine, companies’ sustainability transparency studies focus on accounting

and reporting (Vasyl'eva et al., 2017). Experience of agro-industrial companies is a pioneer (Sukhonos et al., 2018). At the same time, the majority of previously analyzed works on the world, Ukraine and the Czech Republic does not sufficiently highlight the importance of transparency of agricultural companies under sustainability.

**The purpose of the article** – to explore transparency under sustainability among agricultural companies in Ukraine (company “Kernel”) and the Czech Republic (company “Agrofert”) with further recommendations and implications related to reporting. The obtained results will be applicable to enhance sustainability transparency in Ukrainian and Czech agriculture companies.

*Methodology.* This research is concentrated on conceptualization of the sustainability transparency in agriculture companies and its impact on financial performance and investment rationale for better responsible investment decision making process. The following methods were applied: instruments and specific software of bibliometric analysis (Publish or Perish, Vos Viewer, Google Trends, Google Books Ngram Viewer, In built Scopus and WoS tools), clustering analysis. These methods were used to characterize the scientific achievements in the field of transparency and investment attractiveness of agricultural companies.

The method of parameter normalization was used in the calculation of the Sustainability transparency index (STI), which, along with the methods of comparative and benchmark analysis, allowed studying the state of sustainability information and SDGs of leading agricultural companies in Ukraine and the Czech Republic.

As part of the sustainability transparency assessment, STI indices were calculated for each companies' sustainability reports for the period under study. Its value was obtained by the method of normalization of the index parameters.

The index questionnaire was based on a number of criteria that allows characterizing comprehensively the level of agricultural companies' sustainability transparency in Ukraine and the Czech Republic:

- links to sustainability information;
- existence of sustainability policy;
- sustainability and SDG report;
- management report;
- disclosure according to ESG criteria;
- disclosure on SDG;
- other relevant goals related to SDG and sustainable development.

Based on their binary estimates [0; 1], the number of verified criteria was determined, the STI value was calculated by the method of their normalization according to formula (1) and the level of transparency of Kernel's and Agrofert's reports within the analyzed period 2015–2021 was determined.

$$y = \left( \frac{x - \min}{\max - \min} \right) * k, \text{ where } x \neq \min, \quad (1)$$

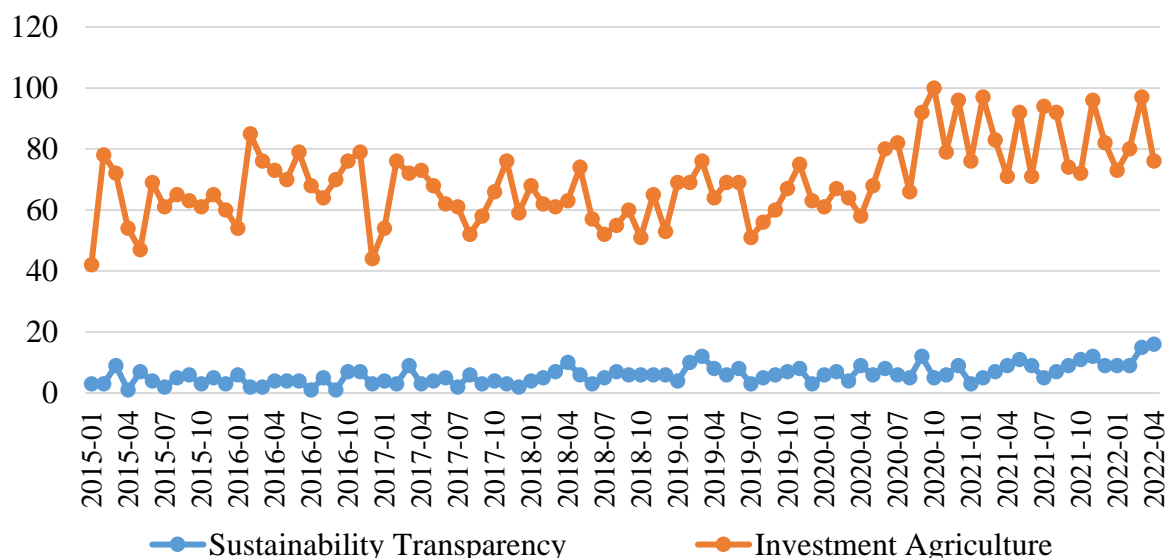
where  $y$  – STI meaning;

$\min$ ;  $\max$  – minimum and maximum number of evaluation criteria;

$x$  – number of verified criteria;



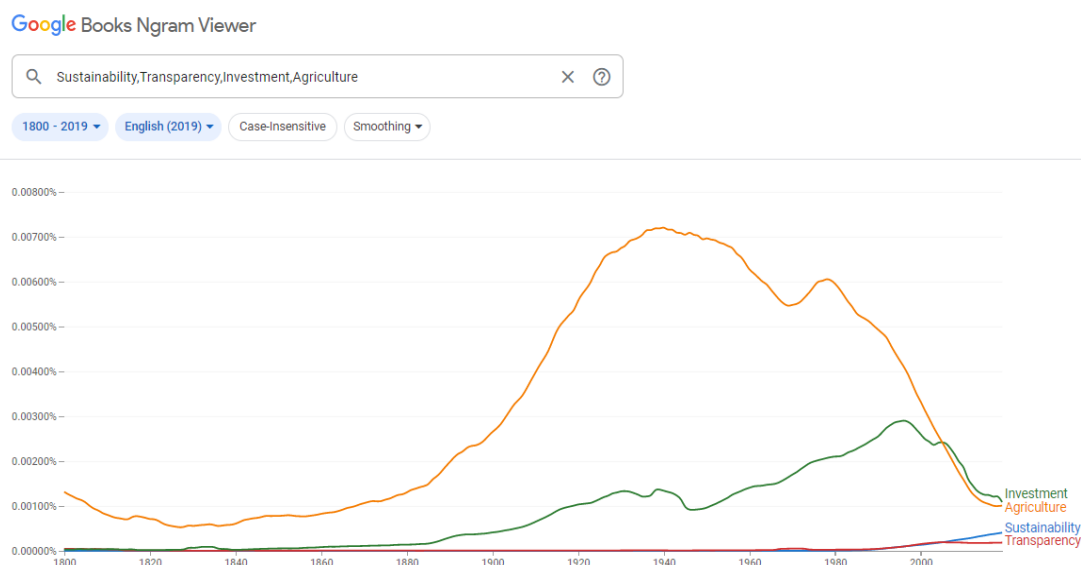
The study of the activity of Internet users in 2015–2022 (Figure 2) shows a distinction between Sustainability Transparency and Investment Agriculture, given the significant gap in the frequency of such searches throughout the analyzed period.



**Figure 2. Internet users queries of keywords Sustainability Transparency and Investment Agriculture in 2015–2022**

Source: compiled by authors within the data from Google Trends.

Similar findings can be made within tools Google Books Ngram Viewer. The frequency of mentions in the digitized collections of Google Books of the terms Sustainability and Transparency is much lower than the terms Investment Agriculture (Figure 3).



**Figure 3. Ngram of keywords frequency “Sustainability Transparency AND Investment Agriculture” in Google Books**

Source: compiled by authors via Google Books Ngram Viewer.

These results of mapping research, studying the frequency of research terms in Google Books sources and queries of Internet users confirm the previous results of the review of scientific papers. Limited understanding the role of sustainability

transparency in investment decisions in general, and agricultural companies in particular was proved.

Given the prevalence of research on the study of transparency at the level of supply chains, we propose to consider the transparency on the corporate level. We use the example of the two largest agricultural companies in the Czech Republic and Ukraine – Agrofert and Kernel.

Agrofert is one of the biggest companies in the Czech Republic (ranked as the fourth most important firm according to the list of CZECH TOP 100) and the biggest agricultural company. It is hundred times bigger than other Czech agriculture companies (Dominant CZ, AGRO CS, NAVOS, Cerea, Primagra, ZZN Pelhřimov, AgroZZN, AGRO 2000 etc). Also it is the only Czech agriculture company with freely available reports.

Kernel is the largest producer and exporter of sunflower oil in Ukraine. It is the first company in the national agricultural companies ranking Latifundist in 2021 by the level of land bank square in 2021 (Latifundist, 2022). Kernel exports its products to more than 80 countries. Since November 2007, the company's shares have been traded on the Warsaw Stock Exchange (WSE) and demonstrate good investor returns. In 2020, Kernel joined the UN Global Compact – the world's largest corporate sustainability initiative as a Signatory.

The use of companies sustainability reporting data for 2015–2021 is commensurate with the selected period for scientific sources research. This data allow determining companies transparency level, identifying investment rationale. The outlined tasks were the basis for evaluating the reporting of leading Ukrainian and Czech agricultural companies and specified in the framework of the sustainability transparency assessment using the STI index.

For Agrofert and Kernel, all available sources of sustainability reporting were analyzed. About Kernel, sustainability information is available as a section in the company's annual reports from 2012 to the present. It indicates a long disclosure and transparency history, as well as ability of making comparisons.

Agrofert uses the following types of reports for the purposes of information disclosure: annual consolidated report, CSR report and Agrofert in numbers annual report. Publication of these reports is not systematic. CSR reports are not available for 2015, 2016 and 2019 periods. Annual report is missing for 2019. Details on availability of reports are presented in Table 2.

*Table 2*

**Analysis of sustainability related disclosure by company “Agrofert”**

Report type / Year	2015	2016	2017	2018	2019	2020	2021
Annual report	+	+/-	+/-	+/-	-	+	-
CSR report	-	-	+	+	-	+	-
Agrofert in numbers report	+	+	+	+	+	+	-

*Note.* “+” – report is available in English on the company site, “+/-” – report is unavailable in English on the company site, but can be found in Czech in other sites, “-” – report is unavailable.

*Source:* prepared by authors based on information from the “Agrofert” official site (<https://www.agrofert.cz/en/download/annual-reports>).



Based on thorough analysis of information disclosure on sustainability, SDG and CSR by Agrofert, STI index for this company is calculated over the period 2015–2020 (Table 3).

*Table 3*

**Agrofert's STI calculations**

Parameter	2015	2016	2017	2018	2019	2020
Links to sustainability information	1	1	1	1	1	1
Existence of sustainability policy	0	0	0	0	0	0
Sustainability and SDG report	0	0	1	1	0	1
E	1	1	1	1	1	1
S	1	1	1	1	1	1
G	1	1	1	1	1	1
C	1	1	1	1	1	1
SDG 1	0	0	0	0	0	0
SDG 2	0	0	0	0	0	0
SDG 3	0	0	0	0	0	0
SDG 4	0	0	0	0	0	0
SDG 5	0	0	0	0	0	0
SDG 6	0	0	0	0	0	0
SDG 7	0	0	0	0	0	0
SDG 8	0	0	0	0	0	0
SDG 9	0	0	0	0	0	0
SDG 10	0	0	0	0	0	0
SDG 11	0	0	0	0	0	0
SDG 12	0	0	0	0	0	0
SDG 13	0	0	0	0	0	0
SDG 14	0	0	0	0	0	0
SDG 15	0	0	0	0	0	0
SDG 16	0	0	0	0	0	0
SDG 17	0	0	0	0	0	0
Other goals	1	1	1	1	1	1
Verified parameters	6	6	7	7	6	7
STI	24	24	28	28	24	28
Transparency level	D	D	D	D	D	D

*Note.* At the moment of paper preparation, 2021 report for the Agrofert was not available.

*Source:* authors' calculations.

Results for the case of Kernel over the period 2015–2021 are presented in Table 4. According to a comparative analysis of STIs calculated by the surveyed companies, during 2015–2018 the level of transparency of companies was relatively low – level D. In 2017 and 2018, Agrofert's transparency level was slightly higher than Kernel's in this respect. However, starting in 2019, Kernel's sustainability information is more complete, comparable and detailed, which is reflected in higher STI values and the corresponding level of transparency – C in 2020 and B in 2021 (Figure 4).

We conducted a comparative analysis of the both company transparency level according to the verification criteria. In particular, according to the criteria of links to sustainability information, the Kernel corporate website is characterized by a friendly

interface, a sustainability tab information is available on the title page of the website (Kernel, 2022). Its review provides a holistic view of the company's sustainability policies (environmental protection, responsible employer, local community support, product quality assurance) and, above all, umbrella policy on sustainable development and CSR. ESG transparency of Agrofert can be described as very poor. Corporate site doesn't have any mentions related to ESG and sustainable development. Still some information related to sustainability can be found in annual reports as well as in "CSR" and "Agrofert in numbers" reports.

*Table 4*

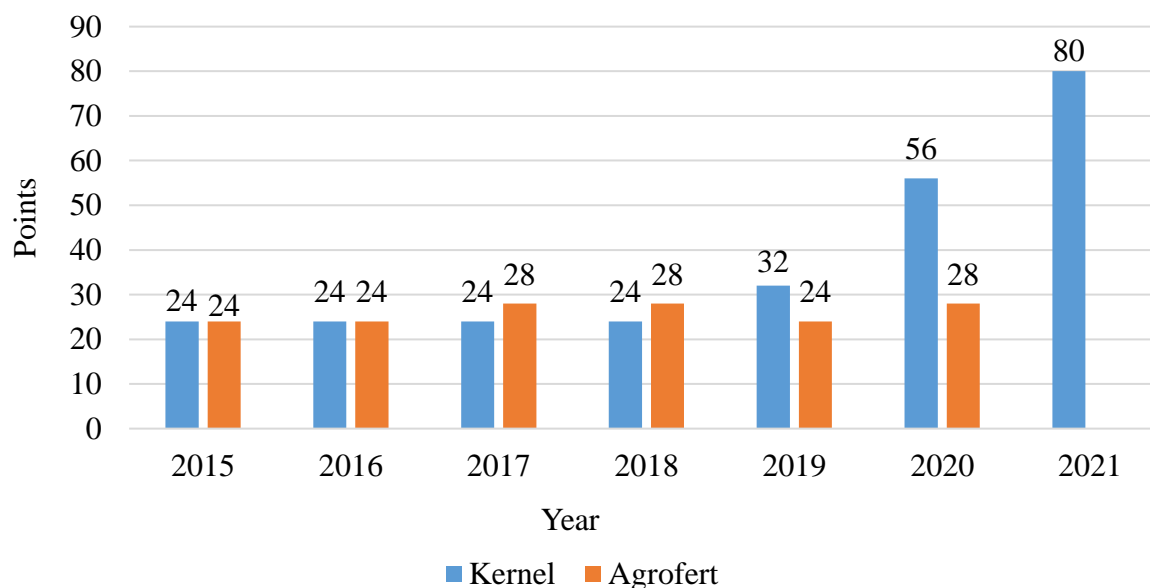
**Kernel's STI calculations**

Parameter	2015	2016	2017	2018	2019	2020	2021
Links to sustainability information	1	1	1	1	1	1	1
Existence of sustainability policy	0	0	0	0	1	1	1
Sustainability and SDG report	0	0	0	0	1	1	1
E	1	1	1	1	1	1	1
S	1	1	1	1	1	1	1
G	1	1	1	1	1	1	1
C	1	1	1	1	1	1	1
SDG 1	0	0	0	0	0	0	0
SDG 2	0	0	0	0	0	1	1
SDG 3	0	0	0	0	0	0	1
SDG 4	0	0	0	0	0	0	1
SDG 5	0	0	0	0	0	0	1
SDG 6	0	0	0	0	0	0	1
SDG 7	0	0	0	0	0	1	1
SDG 8	0	0	0	0	0	1	1
SDG 9	0	0	0	0	0	0	1
SDG 10	0	0	0	0	0	0	0
SDG 11	0	0	0	0	0	0	0
SDG 12	0	0	0	0	0	1	1
SDG 13	0	0	0	0	0	1	1
SDG 14	0	0	0	0	0	0	0
SDG 15	0	0	0	0	0	1	1
SDG 16	0	0	0	0	0	0	0
SDG 17	0	0	0	0	0	0	1
Other goals	1	1	1	1	1	1	1
Verified parameters	6	6	6	6	8	14	20
STI	24	24	24	24	32	56	80
Transparency level	D	D	D	D	D	C	B

*Source:* authors' calculations.

Based on the criterion of existence of sustainability policy, its appearance at Kernel in 2019 allowed to integrate efforts to targeting, monitoring and reporting on the company's goals in the field CSR and achieve higher transparency. In particular, its main provisions are aimed at defining the goals, principles, concepts and procedures of responsibility and sustainability reporting. This policy stipulates that Kernel regularly provides sustainability and CSR information in its annual report in

accordance with current legislation and international standards, Global Reporting Initiative principles (Kernel sustainable development and CSR policy, 2019).



**Figure 4. Comparative dynamics of Kernel and Agrofert STI in 2015–2021, points**

*Source:* authors' calculations.

Formal sustainable development policy is not available through public sources of “Agrofert” (site and reports). In the presence of the Sustainable Development and SDG report, Kernel, as already mentioned, on year-to-year basis includes a separate section on sustainability of the annual report, since 2012. Kernel systematically covers its initiatives in this area in accordance with the GRI G4 Guidelines since 2015 and full GRI standards within the appropriate level of materiality from 2017. In “Agrofert” specific Sustainable Development or SDG Reports are absent as well as reporting on specific ESG-criteria.

The systematic preparation of the Kernel management report according to the national accounting legislation requirements began in 2019, since the amendments to the Law on Accounting and Financial Reporting in 2018. Nevertheless, corporate governance reports, strategic management reports and top management statements were part of the company’s annual reports on the composition, structure, diversification, remuneration of management staff and capital management.

Formal information related to and Ecological, Social and Government issues in Agrofert is presented in annual CSR reports. For example, social responsibility projects of Agrofert are described there as well as the code of ethics and environmental projects of the company. An important element of transparency in Kernel sustainability disclosure is disclosure according to ESG criteria. The company disclosed these essential aspects of its activities, including and anti-corruption policies in all reports under study, addressing current initiatives and projects to each according to the GRI index. Anti-corruption information for the case of Agrofert can be found in the official site of the company in the form of Det Norkse Veritas statement for the achievement of “Fraud and Corruption Resistance Profile”. Some information related to anti-

corruption issues can be found in annual reports of the company.

Disclosure on SDG, in our opinion, is a key criterion of transparency in the field of sustainability, as it highlights the company's efforts not only in accordance with the three key components of sustainable development and relevant ESG criteria, but also global SDG, their targets and individual indicators. The incorporation of SDGs into Kernel's activities in 2020 (SDGs 2, 7, 8, 12, 13, 15) allowed companies to reach the next STI level in the higher group – C. In 2021, the list of SDGs was expanded. The company divided them by priority – SDGs 2, 7, 8, 13, 15, 17 are assigned to the group of SDG of the highest priority. SDGs 3, 4, 5, 6, 9, 12 are of the second priority (Kernel annual report, 2021).

Disclosure on SDG is missing in publicly available information for the case of Argofert. There are no mentions related to this issue on the corporate site. Annual reports (all of the available types) do not consist any mentions of SDGs: overall and specific Goals as well. ESG criterions are not mentioned as priorities or objects of interest from Argofert.

As part of the other relevant goals related to SDG, in addition to its commitment to implementing the CSR, Kernel set ambitious benchmarks for meeting the EU's 2022 Taxonomy on Sustainable Development objectives (Kernel annual report, 2021). In annual reports of Argofert, some mentions related to environmental obligations of the company can be found.

As seen, Kernel has done some crucial steps in sustainability transparency. Key of them include sustainable development policy and ESG reports. As a result, the level of transparency increased by 150 %. Financial results and indicators have demonstrated significant improvement both absolute and relative. For example, net profit increased by more than 1000 %, investment cash-flow by 100 %, ROE – by 500 %, and ROIC by 140 %. At the same time Argofert was much less convincing in its dynamics: net profit increased by 119 % (almost 10 times less than for the case of Kernel), investment cash-flow decreased by 32 % (Table 5).

*Table 5*

**Some financial result of Argofert and Kernel**

Parameter	Kernel (mln USD)			Argofert (mln CZK)		
	2018	2021	% Change	2018	2020*	% Change
Net profit	56	643	1048	1720	3760	119
Investment cash-flow	195	397	104	12000	8172	-32

*Note.* \* The latest available period.

*Source:* authors' calculations.

The key metrics is investment cash-flow. The aim of transparency is to send a clear signal for investors. Kernel has done it well after changes in reporting in 2019. Argofert clearly has failed. Signals to investors are extremely important nowadays, when, as we noted earlier, 77 % of investors increased ESG investments "significantly" or "moderately" (MSCI Investment Insights, 2021). In 2020 among the largest investors ESG investments demonstrated growth by 90 %.

That is why it is crucial for Argofert to change its approach to sustainability

transparency. The most efficient steps include the following ones: development and incorporation of sustainability policy; emergence of specific reports based on ESG criteria; incorporation of SDGs in activity of the company with further prioritization of these criteria withing two groups. Reproduction of these steps by Agrofert will increase its sustainability transparency and send appropriate signals to different stakeholders: not only to investors, but to state, business partners, personnel, international community, etc.

**Conclusions.** Agriculture is extremely important element of sustainable development. A lot of SDGs can't be implemented without this sphere. Information transparency is a key element in the context of sustainability. Benchmarking analysis shows that among 2300+ academic papers related to transparency issues only 4 explore them for the case of agriculture companies (WoS data): direct evidence of a lack of attention. This paper explores transparency under sustainability among agricultural companies in Ukraine (company "Kernel") and the Czech Republic (company "Agrofert"). For this, annual reports from Kernel and Agrofert over the period 2015–2021 are analyzed. Qualitative estimations of sustainability transparency are based on STI calculations. Methodology of this index is based on binary estimations of a number of transparency criterions including links to sustainability information; existence of sustainability policy; availability of sustainability and SDG reports; disclosure according to ESG criteria and specifics SDGs as well as other relevant goals related to SDG and sustainable development.

Results of calculations show that sustainability transparency from 2016 till 2019 in Agrofert and Kernel was almost the same. But since 2019 after Kernel implemented a number of steps to increase its transparency and the situation has changed dramatically. STI index has increased from 32 in 2019 to 80 in 2021. STI values for Agrofert were unchanged in 2020 (the latest available period of analysis). The most efficient steps include the following ones: development and incorporation of sustainability policy; emergence of specific reports based on ESG criteria; incorporation of SDGs in activity of the company with further prioritization of these criteria withing two groups.

First of all, for Agrofert it is obligatory to develop holistic approach to CSR, ESG and SDG management and adopt necessary policies in this field for making corporate reporting under the rules of Directive 2014/95/EU and more comprehensive requirements of EU efforts on Taxonomy on Sustainable Development promotion. In addition, qualitative and quantitative indicators of company sustainability disclosure need to be revised and constant monitoring with GRI priority areas of disclosure for agriculture companies. Incorporating ESG and SDG criterion in Agrofert corporate sustainability reporting should grounded on focus study of the main stakeholders (eg investors, regulators) informational needs. Reproduction of these steps by Agrofert will increase its sustainability transparency and send appropriate signals to different stakeholders: state, business partners, personnel, international community, investors etc. Kernel's financial results and key indicators, especially investment metrics, provide clear evidences in favour of efficiency.

Secondly, for Kernel our recommendations are intended on further integration of targeted SDGs into corporate strategy and monitoring process on the whole levels on operation and contributing to disclosure on EU's 2022 Taxonomy on Sustainable Development as a further step or sustainability transparency enhancing.

This recommendation lies in line with the basic goals of IPFSD, OECD, FAO, SAFA and UNCTAD for accelerating responsible investment in UN SDGs system via strengthening agriculture companies potential for overcoming hungry and poverty. Making agriculture companies more sustainable transparent not only in Czech Republic and Ukraine under the approach of GRI, AccountAbility, CSR Ukraine, The UN Global Compact Network, Directive 2014/95/EU is a crucial step for better investment decision making process, perception of sustainability ideology and incorporation of ESG/SDG criterion, levelling the informational asymmetry and moral risks for their investors.

Nevertheless, current study has some limitations. Spreading the scope and sample of research with using more sustainability reports of agricultural companies in different industries of agriculture in Ukraine and Czech Republic allows making cross-industries STI benchmarking analysis.

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