

Sustainability Reporting in Cambodia: Challenges and Prospects

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ABSTRACT

This study investigates the challenges and prospects of sustainability reporting in Cambodia, filling a research gap in the existing literature. The study's objectives focus on identifying the challenges faced by Cambodian companies when adopting sustainability reporting practices, investigating the benefits these practices provide, and making recommendations for improvement. The study utilized a purposive sampling technique to select participants from diverse sectors in Cambodia. The data collection methods involve conducting semi-structured interviews and online surveys. The data is then analyzed using thematic analysis and triangulation techniques. The research findings provide valuable insights into the challenges faced by organizations when implementing sustainability reporting practices in Cambodia. The challenges identified in the study include limited awareness of sustainability reporting, the absence of a common standard for reporting, and data management issues. In response to the challenges, the study offers recommendations to enhance sustainability reporting in Cambodia. These recommendations include raising awareness among companies, developing clear guidelines for reporting, promoting collaboration among stakeholders, addressing data management challenges, and involving SMEs in sustainability reporting. In addition, the study acknowledges its limitations, precisely the limited number of interviews and surveys used as the basis for analysis. Therefore, it calls for future research with a larger sample size and longitudinal studies to examine Cambodia's sustainability reporting challenges and prospects further. Overall, this research contributes to improving sustainability reporting in Cambodia and provides valuable insights for companies, policymakers, and stakeholders.

Keywords: Sustainability reporting; Sustainable development; ESG; Cambodia; Challenges; Prospects

INTRODUCTION

Sustainability reporting (SR) has gained significant importance for companies worldwide, enabling them to communicate their economic, environmental, and social impacts (Al Hawaj & Buallay, 2022). SR offers numerous benefits, including informed decision-making by stakeholders, increased investor attraction, better understanding of stakeholder concerns, and improved products and services (Uwuigbe et al., 2018; GRI, 2020; Petrescu et al., 2020). However, SR is still in its early stages in Cambodia, with only a few companies releasing sustainability reports. Additionally, comprehensive research on the challenges and prospects of SR in Cambodia is scarce. Hence, this study aims to bridge this research gap by investigating the challenges and prospects of SR in Cambodia.

The specific objectives of this study are to identify the key challenges faced by Cambodian companies in implementing SR and to explore the prospects and benefits SR can offer to Cambodian companies. The following questions need to be answered to fulfill these research objectives: What are the primary challenges encountered by Cambodian companies in adopting SR practices? What specific prospects and benefits can SR offer to Cambodian companies?

Purposive sampling is employed to select participants from various sectors, such as the corporate sector, public sector, academic institutions, professional networks, and financial institutions. This diverse sample selection will ensure that various perspectives and experiences with SR are represented. Data are gathered using semi-structured interviews and online surveys. Semi-structured interviews allow for greater flexibility in exploring emerging themes and eliciting in-depth responses, whereas online surveys provide additional data to enrich the findings.

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The data analysis involves transcription, coding, thematic analysis, and triangulation. The transcription of interview recordings is done using NVivo Transcription software. The data are carefully organized through coding into themes and subthemes, focusing on the specific challenges and prospects associated with SR in Cambodia. An in-depth analysis is performed to uncover patterns, trends, and themes within the coded data, considering the viewpoints of different stakeholder groups. The interview and survey findings are triangulated to validate and enhance the analysis.

Overall, this research aims to significantly contribute to the advancement of SR in Cambodia and support the country's ongoing efforts towards sustainable development. Through an in-depth investigation of the challenges and prospects of SR, this study offers a comprehensive understanding of the current state of SR in Cambodia. It also provides valuable insights for companies, policymakers, and stakeholders.

This paper is organized into five sections. The first section is an introduction, while the second is a literature review. Section three describes the paper's research methodology. The fourth section presents the research findings, and finally, a concluding remark is made in the last section.

LITERATURE REVIEW

The Role, Importance, and Theoretical Foundations of Sustainability Reporting

SR is essential to corporate accountability in today's business landscape (Beck et al., 2019). It serves as a mechanism for organizations to take responsibility for their actions and operate transparently, thereby contributing to the well-being of the economy, society, and environment. SR communicates to the community that an organization is not solely profit-focused but prioritizes its responsibilities to employees, customers, the environment, and society (Rahman & Alsayegh, 2021).

A sustainability report is a published document by an organization that provides detailed information regarding its daily operations' economic, environmental, and social impacts (GRI, n.d.). It goes beyond reporting on financial performance and includes information about the company's values, governance model, and the relationship between its business strategy and commitment to a sustainable global economy.

The landscape of SR is experiencing significant changes, with an increasing possibility of mandatory and regulated reporting (KPMG, 2022). Policymakers acknowledge the importance of SR in driving sustainable development. KPMG's (2022) Global Survey of Sustainability Reporting revealed that 96 percent of the world's top 250 companies currently engage in SR. As new regulations on non-financial reporting are implemented, reporting rates are expected to grow.

Motivations behind SR are influenced by several theories, including legitimacy, stakeholder, accountability, signaling, and political economy theories.

Legitimacy theory suggests that organizations must align their actions with societal values to be perceived as legitimate (Lakhani & Herbert, 2022; Dube & Maroun, 2017). Publishing sustainability reports allows organizations to demonstrate their commitment to operating within society's acceptable bounds and gain legitimacy (Kuzey & Uyar, 2017). This theory explains why companies disclose specific social and environmental information as part of their business strategy.

Stakeholder theory proposes that organizations should consider the needs of a broader range of stakeholders (Hussain et al., 2018). SR is seen as a way for organizations to manage and meet the expectations of their various stakeholders (Chatelain-Ponroy & Morin-Delerer, 2012). By disclosing information on their economic, social, and environmental impact through sustainability reports, organizations can create value for their stakeholders and secure ongoing support (Vaz et al., 2016).

Accountability theory emphasizes that organizations are responsible for informing stakeholders about their activities (Comyns et al., 2013). It supports the production of sustainability reports to provide accurate information about an organization's activities. It also recognizes the influence of government authority on business conduct and supports mandatory SR (Gillet-Monjarret, 2015).

Signaling theory suggests that organizations use SR to signal positive behavior and demonstrate their commitment to being "good corporate citizens" (Daher & Bashatweh, 2018). By disclosing their sustainability practices, companies seek to communicate their social, economic, and environmental performance to the market. Sustainability reports serve as a tool to manage market information asymmetry and highlight

a company's good performance, enhancing its market position and reputation (Girella et al., 2019).

Political economy theory recognizes the interconnectedness of organizations' political, economic, and social activities (Lakhani & Herbert, 2022; Cotter et al., 2011). Sustainability reports function as social, political, and economic documents that satisfy stakeholders' informational needs and benefit an organization's interests. They communicate social, political, and economic meanings to a wide range of stakeholders, contributing to the ongoing support and legitimacy of the organization.

Considering the growing importance and potential regulatory changes in SR, it is crucial to understand the challenges and prospects in specific contexts. In Cambodia, SR is still in its early stages, with only a few companies releasing sustainability reports. Therefore, this research aims to investigate the challenges and prospects of SR in Cambodia, providing valuable insights for companies, policymakers, and stakeholders in the country.

Sustainability Reporting Standards and Frameworks

Standards and frameworks in SR are crucial for enhancing transparency and accountability in corporate reporting. The Global Reporting Initiative (GRI) Standards offer a comprehensive framework applicable to all organizations, allowing for a transparent and credible view of their material topics, impacts, and management approaches (GRI, n.d.). The Sustainability Accounting Standards Board (SASB) Standards focus on industry-specific sustainability information, aiding investor decision-making by emphasizing factors that impact financial performance (SASB, n.d.). Integrated Reporting (IR) Framework and Thinking Principles connect financial statements with sustainability-related disclosures to provide a holistic view of value creation (IR, n.d.). The Task Force on Climate-related Financial Disclosures (TCFD) framework provides recommendations for disclosing climate-related financial information (TCFD, n.d.). The United Nations Global Compact (UNGC) promotes principles-based corporate sustainability (UNGC, n.d.). The Carbon Disclosure Project (CDP) encourages environmental disclosure (CDP, n.d.). The Climate Disclosure Standards Board (CDSB) Framework allows organizations to include environmental and social information in mainstream reports (CDSB, n.d.).

Establishing the International Sustainability Standards Board (ISSB) by the International

Financial Reporting Standards (IFRS) Foundation is a significant development in SR. The ISSB has issued two initial standards, IFRS S1 and IFRS S2, which provide disclosure requirements for communicating sustainability-related risks and opportunities (IFRS, 2023). These standards incorporate the recommendations of the TCFD and aim to establish a consistent understanding of how sustainability factors impact a company's prospects.

Companies need to evaluate the relevance of different frameworks based on their context and stakeholder expectations. The collaboration between the ISSB and other reporting initiatives, such as GRI, is a positive step toward reducing the reporting burden and promoting cohesion. However, the implementation challenges and limitations must be carefully considered to ensure transparent and meaningful SR practices.

The Current State of Sustainability Reporting in Cambodia

Literature on SR in Cambodia is scarce compared to other countries, implying the need for further research in this field. Nevertheless, a few studies provided valuable insights into the current state of SR in Cambodia.

Miethlich (2019) conducted a study emphasizing the interaction between the state and companies in promoting sustainable development. It revealed that SR in Cambodia is recognized as a valuable tool for communicating CSR and gaining a competitive edge. Although Cambodia ranks lower in SR than other ASEAN countries, its strong GDP, based on purchasing power parity, positions it well.

Maáji (2020) highlighted the need for more transparent reporting to convey the quality and sustainability of business performance in Cambodia. SR was identified as a mechanism to create a more attractive and differentiated business image, leading to improved stakeholder relationships and better investor understanding.

Flores (2021) investigated the awareness and commitment of Cambodian Public Interest Entities (PIEs) to triple bottom line (TBL) reporting. While many PIE managers recognized the importance of balancing profit, the planet, and people, there needed to be a higher level of commitment to TBL reporting. The study suggested the need for further education and awareness of sustainability concepts.

Ma'aji et al. (2022) analyzed the development and evolution of SR practices in Cambodia. Although many companies knew SR and its importance, a low percentage reported on environmental and social impacts. The absence of regulatory requirements, limited incentives, and a lack of understanding of the strategic advantages of SR were identified as reasons for this lack of disclosure.

To gain a deeper understanding of SR in Cambodia, Flores (2023) conducted a qualitative content analysis of the sustainability reports of NagaCorp Ltd. and Smart Axiata Co., Ltd. Both companies demonstrated a solid commitment to sustainability in their reporting. NagaCorp focused on emissions reduction, resource conservation, employee well-being, and governance practices. Smart Axiata prioritized economic growth, inclusivity, and operational process improvements. Both companies adhered to established SR frameworks, enhancing the credibility and transparency of their sustainability reports. The study suggested collaborations between companies and stakeholders and highlighted the need for improved governance reporting by Smart Axiata. However, the study acknowledged the limitations of relying solely on sustainability reports and emphasized the significance of future research using additional data sources.

While these studies offer foundational insights, further research is needed to analyze SR in Cambodia comprehensively. Future research should investigate Cambodian companies' current practices, trends, and perceptions. In addition, a deeper exploration of the factors influencing SR, barriers to disclosure, and potential benefits and challenges specific to the Cambodian context is necessary. This will support the development of effective policies and initiatives to promote sustainable development in Cambodia.

This study addresses the identified research gaps by examining the challenges and prospects of SR in Cambodia. Through the perspectives of sustainability managers, practitioners, and experts from various sectors, this research aims to significantly contribute to the SR in Cambodia.

The Benefits of Sustainability Reporting

SR offers a range of internal and external benefits to organizations. According to PWC (n.d.), internal benefits include an improved understanding of opportunities and risks, emphasizing the connection between financial and non-financial performance, influencing long-term management strategy and

policy, streamlining processes, lowering costs, increasing efficiency, benchmarking and assessing ESG performance, and avoiding negative publicity. External benefits include improving reputation, brand awareness, and loyalty, gaining feedback on activities and programs, mitigating negative impacts, providing stakeholders with a clear understanding of the company's value, demonstrating sustainable development expectations, attracting investors and journalists, and meeting the criteria of a credit rating agency.

Several recent studies provide additional evidence of the benefits of SR. For example, Petrescu et al. (2020) found that ESG reporting has internal benefits in improving economic, social, and environmental performance and external benefits in building sustainable relationships with stakeholders. Aligning sustainability strategy with global business strategy and incorporating non-financial reporting requirements were also highlighted in the study. Similarly, Alsayegh et al. (2020) found a positive relationship between ESG reporting and sustainability performance, emphasizing the interdependence between economic value and societal value creation. These studies further support the importance of integrating sustainability goals into management systems, considering internal and external benefits, and aligning strategy with global business goals.

Furthermore, several studies have highlighted the benefits of SR, specifically in the context of small and medium-sized enterprises (SMEs). For instance, Moneva and Hernández-Pajares (2018) emphasized how owners' and managers' values and motivations influence the development of SR policies in SMEs. Meeting the expectations of employees and consumers regarding SR practices can lead to advantages for the company. The study suggests the importance of incorporating stakeholder theory to understand how SME managers perceive and are motivated by SR performance.

Overall, SR contributes to a more sustainable economy and enhances the overall performance of companies. However, further research is needed to explore the limitations and challenges of achieving these benefits, provide empirical evidence to support claims and discuss the consequences of ineffective reporting practices. This deeper understanding would promote effective SR.

The Challenges of Sustainability Reporting

EIAly and Weber (2019) identified the need for a

greater understanding of the scope of SR, multiple reporting frameworks and target audiences, and reporting cycle confusion as the primary challenges SR faces. Dissanayake et al. (2021) further identified challenges such as a lack of knowledge and understanding, additional costs, time constraints, a lack of awareness and education, and a lack of government initiatives. Addressing these challenges requires strategies such as educational programs, capacity-building initiatives, and government support.

De Micco et al. (2021) provided insights into effective mechanisms for addressing SR challenges, such as dissemination, employee involvement, managerial commitment, and routinization/institutionalization of reporting practices. However, further examination of these mechanisms' limitations or areas for improvement is needed. Additionally, the impact of stakeholder involvement and the role of legislation in addressing reporting challenges should be further discussed.

Recent attention has been directed towards SR for SMEs. Rodríguez-Gutiérrez et al. (2021) introduced a new approach to evaluate and prioritize SR standards for SMEs, emphasizing the significance of SR for SME credibility and reputation. Tauringana (2021) examined the factors influencing SR and the effectiveness of GRI initiatives, particularly in developing countries. Das et al. (2020) stressed the need for increased attention to social and environmental practices in SMEs and introduced a conceptual model to improve and monitor sustainability practices in Asian SMEs. These studies provide valuable insights and resources for SMEs in adopting SR practices.

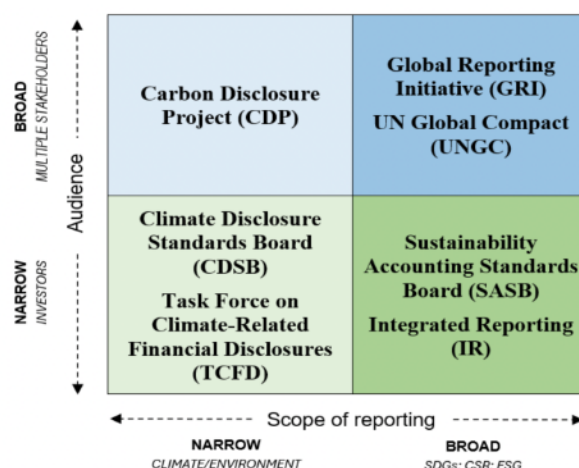
While the identified studies shed light on significant SR challenges, there is a need for more specific and actionable recommendations. Future research should focus on providing a deeper understanding of how organizations can overcome obstacles, improve the quality and effectiveness of SR, and identify potential strategies and best practices.

Best Practices in Sustainability Reporting

Numerous studies have identified key factors contributing to the quality and effectiveness of sustainability reports.

Using a credible reporting framework, such as the GRI and SASB, ensures the credibility and comparability of reports (Rogmans & El-Jisr, 2022). Figure 1 presents a matrix developed by Rogmans and El-Jisr (2022) to guide the selection of appropriate SR standards.

Figure 1: Choosing the Right Sustainability Reporting Standards



Source: Rogmans & El-Jisr, 2022

Source: Rogmans & El-Jisr, 2022

Materiality assessments determine which topics are significant enough to be reported on and reflect an organization's economic, environmental, and social impacts (GRI, 2020). Materiality is essential in providing relevant information on a company's ability to contribute to sustainability and create value for stakeholders (Bellucci & Manetti, 2018).

Aligning sustainability goals and targets with broader business objectives promotes a comprehensive and long-term approach to sustainable development (Eccles et al., 2014). Organizations address sustainability challenges and seize opportunities by integrating ESG factors into decision-making processes (Ioannou & Serafeim, 2015).

Engaging stakeholders enhances the legitimacy and reputation of businesses (Iazzi et al., 2020). Ongoing dialogue and stakeholder consultation improve transparency, legitimacy, and trust in SR (KPMG, 2020). Stakeholder engagement plays a vital role throughout the reporting process, including strategic planning, indicator development, performance measurement, and report preparation (Kaur & Lodhia, 2018). Stakeholder engagement is crucial for materiality disclosure (Ngu & Amran, 2018).

However, tailoring these best practices to the organization's context, industry, and stakeholder expectations is important. Organizations should continually improve their SR practices and adapt to evolving requirements and expectations. By considering these factors, organizations can enhance the quality and effectiveness of their SR initiatives.

METHODOLOGY

Sample Selection

This study adopts a qualitative approach to examine the challenges and prospects of SR across different sectors. Purposive sampling, a non-random sampling technique, selects participants based on their specific qualities or characteristics. Participants with extensive knowledge and experience on SR are selected, considering factors like availability and willingness to participate. The goal is to select individuals who can provide valuable insights into the research topic.

Sustainability managers, practitioners, and experts from various sectors, including the corporate sector, public sector, academic institutions, professional networks, and financial institutions, are targeted as the respondents. The selection process involves multiple steps, including identifying potential participants through online research, professional networks, and expert recommendations. Invitations are sent based on expertise, availability, and willingness to contribute to the study, ensuring a diverse and representative sample.

Research Instrument

Data on the challenges and prospects of SR in Cambodia is collected using a combination of semi-structured interviews and an online survey. Semi-structured interviews offer flexibility and the opportunity to explore emergent themes (Merriam & Tisdell, 2016). Interview questions are designed to be flexible, providing room for spontaneous responses. The interviews are recorded and later transcribed for content analysis.

Respondents who decline the interview request are given the option to participate in an online survey. The survey includes open-ended questions to gather qualitative responses, supplementing the study's findings.

Several ethical considerations are taken into account during the research process. Confidentiality is ensured, with participants' identities and responses kept strictly confidential. Informed consent is obtained from participants, providing detailed information about the study's purpose, procedures, and their rights. Participants have the opportunity to ask questions and address concerns before giving their consent. Data security is maintained by implementing measures to protect the confidentiality and integrity of the collected data.

Data Analysis

A systematic approach is followed for the analysis of data. The recorded interviews are transcribed using NVivo Transcription software.

The transcribed data is organized into themes, subthemes, or specific challenges and prospects related to SR in Cambodia. Descriptive-focused coding is used to capture the essence of each segment and identify patterns and emerging themes (Saldaña, 2021).

Thematic analysis aims to identify patterns, trends, and themes within the coded data. Similarities, differences, and patterns within each theme are analyzed, considering perspectives from various stakeholder groups.

Triangulation is employed to ensure validity and credibility, comparing and combining findings from interviews and surveys. This approach strengthens the analysis and provides a comprehensive understanding of the challenges, opportunities, and recommendations for SR in Cambodia.

FINDINGS AND DISCUSSION

Results of Semi-Structured Interviews

Three sustainability managers, practitioners, and experts participated in the interview among the invitees. Some target respondents did not respond or decline the invitation for personal reasons. Table 1 shows the profiles of those who agreed to the interview. To protect the privacy of the interview participants, they are referred to as R1, R2, and R3 throughout this section.

Table 1: Interviewee Profiles

Interviewee	Background
R1	A Senior Sustainability Manager at one of Cambodia's most prominent companies
R2	A professor of accounting and finance at one of Cambodia's leading higher education institutions and one of Cambodia's pioneering researchers in SR
R3	A finance expert who advocates for green and sustainable finance and has served as an independent director and advisor to several Cambodian financial institutions

When asked about the key challenges Cambodian organizations face when implementing SR practices, R1 highlighted capacity building, lack of awareness and understanding, and data collection challenges. R2 also expressed limited awareness and understanding, lack of resources and expertise, and data collection challenges as their main obstacles. R3 mentioned

the gradual implementation approach, framework development and training support, and awareness-building and incentives as their key challenges.

When asked about government initiatives or support mechanisms to promote and encourage SR in Cambodia, neither R1 nor R2 knew any specific initiatives or support mechanisms. However, R3 mentioned a new system with ongoing training provided by the World Bank and IFRS.

The respondents had different perspectives regarding Cambodia's compliance with the new IFRS standards for SR. R1 suggested looking at both ISSB and GRI standards and recommended combining different standards. R2 supported having a global framework for sustainability reporting. R3 proposed using existing IFRS standards as a starting point and building on them.

The respondents provided valuable insights when asked about recommendations or strategies to overcome the challenges and improve SR practices in Cambodia. R1 emphasized the need to highlight the importance and benefits of SR and advocated for government support. R2 suggested investing in capacity building, raising awareness, and collaborating with stakeholders. R3 highlighted the importance of building awareness through education and developing a clear policy framework.

In terms of potential opportunities for organizations in Cambodia to enhance their SR practices, the respondents provided valuable suggestions. R1 recommended identifying data needs and developing transparent methodologies for collecting and calculating sustainability data. R2 emphasized the importance of stakeholder engagement, collaboration, capacity building, technology integration, and aligning SR practices with business strategy. R3 highlighted the need to improve sustainability performance, identify and manage risks, and effectively communicate with stakeholders.

The role of technology and digitalization in improving various SR processes in Cambodia was discussed by R1 and R3. While R1 believed that technology has the potential to revolutionize sustainability reporting, R3 acknowledged its potential for improving efficiency and accuracy but emphasized the need for a strong foundation.

When discussing the potential for cross-sector collaboration or knowledge-sharing among Cambodian organizations to drive SR efforts, R1 suggested that companies take the lead in SR,

even without regulatory requirements. Honesty, transparency, and highlighting positive and negative impacts were emphasized as essential factors in reporting. It was felt that more companies would recognize the value of SR over time, and each company should find a customized approach that suits their unique situation.

Regarding the involvement of SMEs in SR, the respondents suggested different ways to encourage and support their engagement. R1 proposed that big companies could set an example and provide financial and government support. R2 recommended raising awareness and providing guidelines, resources, training, and financial incentives. R3 suggested that financial incentives may be necessary and emphasized the importance of providing training and resources for SMEs.

Results of Online Survey

Two target respondents who did not respond or declined the interview invitation completed the online survey. To protect the privacy of online survey participants, they are referred to as R4 and R5 throughout this section. Table 2 presents their key demographics.

Table 2: Demographics of Survey Respondents

Respondent	Age (in years)	Gender	Sector	Education Level	Experience in SR
R4	36- 45	Female	Government	Master's Degree	Less than 1 year
R5	26- 35	Female	Big Four	Master's Degree	8- 10 years

Table 3 presents the responses from R4.

Table 3: R4's Responses to Open-Ended Questions in the Online Survey

Focus Area	R4's Responses
Key Challenges	Lack of knowledge about sustainability reporting standards Lack of specific guidance on the implementation of standards No common sustainability reporting standard in Cambodia
Government Initiatives	The Accounting and Auditing Regulator is a leading agency with support from the World Bank
Potential Opportunities	Attracting investors and fund providers, demonstrating sustainability to related parties
Effective Stakeholder Engagement Strategies	Providing technical assistance, organizing public consultation with the World Bank team
Key Prospects for the Future of SR	Increased awareness and understanding, development of clear guidelines and standards, improved access to reliable data

Recommendations to Overcome SR Challenges	Develop a roadmap for implementation, provide training, engage stakeholders, use technology
Potential for Cross-Sector Collaboration or Knowledge Sharing	Yes, there is potential for collaboration and knowledge-sharing
Strategies to Enhance Credibility and Transparency	Follow roadmap, conduct independent audits

Table 4 shows the responses from R5.

Table 4: R5's Responses to Open-Ended Questions in the Online Survey

Focus Area	R5's Responses
Key Challenges	Limited awareness and understanding of sustainability reporting Lack of clear guidelines and standards Reliable quality and availability of data Difficulty integrating reporting into business strategy Unclear goals, targets, and roadmaps Measuring negative and positive impacts Stakeholder engagement and involvement in the reporting process
Potential Opportunities	Standing out in the market, engaging stakeholders, and better risk management
Key Prospects for the Future of SR	Demonstrating commitment to responsible business practices, engaging stakeholders, better risk management
Recommendations to Overcome SR Challenges	Awareness campaigns, clear guidelines and standards, data management, stakeholder involvement

Analysis of Interview Results

The interview results highlight various challenges, opportunities, and recommendations for SR in Cambodia.

One major challenge that all respondents identified is the need for more awareness and understanding of SR among Cambodian organizations. This lack of understanding often leads businesses to view SR as an additional burden or expense. Moreover, the need for more resources, expertise, and data collection capabilities makes effective reporting difficult.

However, there are opportunities associated with SR that can benefit organizations. These opportunities include stakeholder engagement, cross-sector collaboration, capacity building, integration into business strategy, and technology-driven improvements. By utilizing these opportunities, organizations can enhance sustainability performance and reputation.

Recommendations have been put forward to overcome the challenges and improve SR practices. One such recommendation is to raise awareness through

training programs and campaigns. Additionally, providing resources and guidelines, building capacity through collaborations, and integrating sustainability into business strategy are crucial steps. Furthermore, the role of large corporations in setting an example and advocating for SR is emphasized.

Cross-sector collaboration and knowledge-sharing are critical for driving Cambodia's SR efforts. Effective reporting and collective sustainability goals can be achieved by sharing organizations' experiences and best practices.

Regarding SR frameworks, respondents in Cambodia express an interest in having a clear policy framework. While recognizing global standards and frameworks such as ISSB standards, GRI standards, and European Sustainability Reporting Standards, they emphasize the importance of considering financial and impact materiality in SR. Therefore, they suggest a combination approach involving various standards and frameworks to provide a comprehensive view of sustainability impacts.

Technology and digitalization are recognized as having the potential to improve SR processes by streamlining data collection and analysis and improving accuracy. However, attention is drawn to the challenges of data management and integration.

To encourage SMEs to engage in SR, raising awareness through campaigns, training, and guidelines is critical. Providing resources and financial incentives, encouraging collaboration, and establishing recognition programs are all strategies suggested to assist SMEs in embracing SR.

Analysis of Survey Results

The survey responses from R4 and R5 emphasize vital challenges, opportunities, and recommendations for SR in Cambodia.

R4 highlights organizations' challenges, particularly the lack of knowledge about SR standards and their implications. This lack of understanding makes it difficult for organizations to implement effective SR practices. Additionally, the absence of specific guidance and a common SR standard in Cambodia complicates the reporting process and can lead to confusion and inefficiency.

Building upon R4's observations, R5 identifies several challenges that organizations in Cambodia encounter. These challenges include a need for more awareness and understanding of SR, a dearth of clear guidelines and standards, difficulties in integrating SR into

broader business strategies, challenges in measuring impacts, and obstacles in engaging stakeholders in the reporting process. These challenges reflect the intricate and multifaceted nature of SR in Cambodia.

Regarding opportunities, R4 underscores that organizations in Cambodia can attract investors and fund providers with low capital costs and government support by enhancing their SR practices. Moreover, demonstrating sustainability to relevant parties can be a valuable opportunity for organizations to strengthen their position.

Expanding on the opportunities mentioned by R4, R5 emphasizes that organizations prioritizing SR can differentiate themselves in the market by showcasing their commitment to responsible business practices. Meaningful reporting can also engage stakeholders such as customers, employees, and communities, fostering stronger relationships. Furthermore, reporting on sustainability risks and mitigation measures enables organizations to manage potential negative impacts on their operations and reputation effectively.

R4 and R5 propose various strategies to overcome the challenges and improve SR practices. These strategies include creating implementation roadmaps, training employees, actively involving stakeholders, leveraging technology for data collection, and conducting independent audits. Additionally, R4 suggests holding workshops focused explicitly on SR standards and implementation.

Both respondents recognize the potential benefits of cross-sector collaboration and knowledge-sharing in advancing SR efforts in Cambodia. This collaboration facilitates the exchange of best practices, sharing experiences, and collective efforts to improve SR practices throughout the country.

Triangulation of Interview and Survey Results

The lack of awareness and understanding of SR among Cambodian organizations is a common theme in both the interview and survey results. This lack of knowledge is a critical challenge that must be addressed. As suggested by both sources, overcoming this challenge requires implementing various training programs, workshops, and campaigns to raise awareness. Additionally, clear guidance and resources are emphasized to assist organizations in comprehending the standards and implications associated with SR.

Another common challenge identified is Cambodia's

lack of a unified SR standard. The existence of different standards organizations must adhere to causes confusion and consumes excessive time and effort. To tackle this issue, interview and survey respondents recommend developing clear guidelines and frameworks for SR. These guidelines should incorporate financial and impact materiality to provide a comprehensive view of organizational impacts. It is further suggested that multiple standards and frameworks, such as ISSB Standards, GRI Standards, and European Sustainability Reporting Standards, be utilized to enhance reporting accuracy and uniformity.

Capacity building and collaboration are emphasized as significant strategies in both the interviews and surveys. Building capacity through training programs and engaging stakeholders are effective ways to overcome challenges and enhance SR practices. Furthermore, cross-sector collaboration and knowledge-sharing are indispensable for driving SR efforts in Cambodia. Organizations can benefit from the experiences and best practices of others through such collaborative initiatives.

The potential for technology to improve SR processes is recognized, with streamlined data collection and analysis being highlighted as a critical benefit. However, challenges related to data management and integration are acknowledged. This underscores the necessity of establishing a solid foundation in sustainability practices before effectively implementing technology-driven improvements.

Encouraging SMEs to engage in SR is another shared goal. To achieve this, several strategies are recommended. These include raising awareness about SR among SMEs, providing them with resources and guidelines, offering financial incentives, and establishing recognition programs. These strategies are intended to support SMEs in adopting SR practices and promoting their active participation in the sustainability agenda.

CONCLUSION

This study offers valuable insights into the current state of SR in Cambodia, focusing on the challenges organizations face and the potential future of SR in the country. The findings shed light on various significant challenges and provide recommendations for enhancing SR in the country. An important challenge identified is the need for more awareness

and understanding of SR within organizations. To tackle this issue, strategies should be put in place to raise awareness, conduct training programs, and offer clear guidance and resources.

Another issue identified is the absence of a common SR standard in Cambodia, leading to confusion and inefficiency. To overcome this, it is recommended to develop clear guidelines and frameworks incorporating financial and impact materiality. Additionally, using multiple standards and frameworks can enhance reporting accuracy.

The importance of capacity building and collaboration are essential strategies for enhancing SR practices. Training programs and stakeholder engagement are crucial for developing expertise, while collaboration across different sectors and sharing knowledge allows organizations to gain insights from each other and exchange successful strategies.

Although technology can potentially enhance SR processes, addressing the challenges associated with data management and integration is crucial. Establishing a solid sustainability practice foundation is essential before implementing technology-driven improvements.

Promoting the involvement of SMEs in SR is another crucial goal. This can be accomplished by increasing awareness, providing resources and guidelines, offering financial incentives, and implementing recognition programs.

While the findings of this study are valuable, it is essential to acknowledge the study's limitations. The analysis is based on a limited number of interviews and surveys, which may only capture part of the range of perspectives and experiences. Future research should include a larger sample size and delve deeper into the challenges and opportunities of SR. Additionally, longitudinal studies can provide insights into the long-term impacts of SR practices and the effectiveness of different strategies for improving reporting quality and transparency.

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