


**BUILDING A CORPORATE SOCIAL RESPONSIBILITY INDICATOR IN VIEW OF THE COVID-19 PANDEMIC BASED ON SELECTED INTERNATIONAL EXPERIENCES**

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ARTICLE INFO	ABSTRACT
<b>Article history:</b>	<b>Purpose:</b> The focus of the research is to establish corporate social responsibility (CSR) indicator that is compatible with the Iraqi environment in light of the Covid-19 pandemic, based on previous international experiences (Egypt, Sweden, the United States of America, the Global Reporting Initiative (GRI)).
<b>Received</b> 04 October 2022	<b>Theoretical framework:</b> confirming the importance of developing an indicator to disclosure of social responsibility (DSR) that economic units can adopt in light of the pandemic.
<b>Accepted</b> 06 December 2022	<b>Design/methodology/approach:</b> The research sample consists of 32 private Iraqi banks that are listed on the Iraq Stock Exchange and have made contributions to combating the pandemic, whether by financial donations or deferring payment of installments owed to them. The media material of these banks' financial reports for the year 2019-2020 was examined, which are the years when the Covid-19 pandemic's impacts were exposed.
<b>Keywords:</b>  DSR Index; COVID-19 Pandemic.	<b>Findings:</b> The study finds a discrepancy in DSR among the banks in the research sample, with only (11) banks DSR according to the proposed model, that is to say (34.3 %) of the banks in the research sample,
	<b>Research, Practical &amp; Social implications:</b> evidenced by extrapolation of the announced indicators in the Iraqi market for securities, the absence of an indicator for DSR despite its importance in light of the Covid-19 pandemic and the consequences on multiple levels, because CSR expresses the extent of an economic unit's ethical commitment to society through participation in social activities.
	<b>Originality/value:</b> highlight of the Covid-19 pandemic and the consequences on multiple levels through Building a model for DSR
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**CONSTRUINDO UM INDICADOR DE RESPONSABILIDADE SOCIAL FRENTE À PANDEMIA DE COVID-19 COM BASE EM EXPERIÊNCIAS INTERNACIONAIS SELECIONADAS**

**RESUMO**

**Objetivo:** O foco da pesquisa é estabelecer um indicador de responsabilidade saudável que seja compatível com o ambiente iraquiano à luz da pandemia de Covid-19, com base em experiências internacionais anteriores (Egito, Suécia, Estados Unidos da América, GRI (GRI)).

**Referencial teórico:** confirmando a importância de desenvolver um indicador de responsabilidade social que as unidades econômicas possam adotar face à pandemia.

**Desenho/metodologia/abordagem:** A amostra da pesquisa é composta por 32 bancos privados iraquianos listados na Bolsa de Valores do Iraque e que fizeram contribuições para o combate à pandemia, seja por meio de doações financeiras ou diferimento do pagamento de parcelas a eles devidas. Foi examinado o material midiático dos

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relatórios financeiros desses bancos para o ano de 2019-2020, que são os anos em que foram expostos os impactos da pandemia de Covid-19.

**Resultados:** O estudo encontra uma discrepância na divulgação da responsabilidade social entre os bancos da amostra da pesquisa, com apenas (11) bancos divulgando a responsabilidade social de acordo com o modelo proposto, ou seja (34,3%) dos bancos da pesquisa amostra,

**Pesquisa, implicações práticas e sociais:** evidenciadas pela extrapolação dos indicadores anunciados no mercado iraquiano de valores mobiliários, a ausência de um indicador de divulgação de responsabilidade social apesar de sua importância diante da pandemia de Covid-19 e as consequências em vários níveis, porque a responsabilidade expressa a extensão do compromisso ético de uma unidade econômica com a sociedade por meio da participação em atividades sociais.

**Originalidade/valor:** destaque da pandemia de Covid-19 e as consequências em vários níveis através da construção de um modelo de divulgação de responsabilidade social

**Palavras-chave:** Responsabilidade Social, Índice de Divulgação, Pandemia de COVID-19.

## CONSTRUCCIÓN DE UN INDICADOR DE RESPONSABILIDAD SOCIAL ANTE LA PANDEMIA DEL COVID-19 A PARTIR DE EXPERIENCIAS INTERNACIONALES SELECCIONADAS

### RESUMEN

**Propósito:** El enfoque de la investigación es establecer un indicador de responsabilidad saludable que sea compatible con el entorno iraquí a la luz de la pandemia de Covid-19, basado en experiencias internacionales previas (Egipto, Suecia, Estados Unidos de América, GRI (GRI).

**Metodología:** La muestra de la investigación consta de 32 bancos privados iraquíes que cotizan en la Bolsa de Valores de Irak y han realizado contribuciones para combatir la pandemia, ya sea mediante donaciones financieras o aplazando el pago de las cuotas que se les adeudan. Se examinó el material mediático de los informes financieros de estos bancos para el año 2019-2020, que son los años en que se expusieron los impactos de la pandemia del Covid-19.

**Conclusiones:** El estudio encuentra una discrepancia en la divulgación de la responsabilidad social entre los bancos de la muestra de la investigación, siendo que solo (11) bancos divulgan la responsabilidad social según el modelo propuesto, es decir (34,3 %) de los bancos de la investigación muestra.

**Implicaciones de la Investigación:** evidenciado por la extrapolación de los indicadores anunciados en el mercado de valores iraquí, la ausencia de un indicador para revelar la responsabilidad social a pesar de su importancia a la luz de la pandemia de Covid-19 y las consecuencias en múltiples niveles, porque social la responsabilidad expresa el alcance del compromiso ético de una unidad económica con la sociedad a través de la participación en actividades sociales.

**Palabras clave:** Responsabilidad Social, Índice de Divulgación, Pandemia de COVID-19.

### INTRODUCTION

In light of the global crises caused by natural disasters and pandemics, including the Covid-19 pandemic and its ramifications on all economic and social levels as well as financial markets, economic units' CSR and disclosure in financial reports has become an essential requirement (Hoang et al., 2022). as it expresses the unit's commitment to society through its contribution to social activities and behavior Ethical related to participating in solving cultural, environmental, health and humanitarian issues (Mahmud et al., 2021).

CSR encompasses an integrated set of economic, social, environmental, and governance dimensions that contribute to achieving the societal economic unit and adding value to it through the economic unit's commitment to and disclosure of its CSR to stakeholders (Bakir & Abusatala, 2022). In light of the Covid-19 pandemic and its ramifications at various levels, the

role of economic units has become critical in achieving CSR and disclosing it in financial reports, either separately or in combination with financial reports, voluntarily or mandatorily.

The research problem is that, despite the spread of the Covid-19 pandemic in the Iraqi environment, it is observed from extrapolation of the indicators announced in the Iraqi stock market as the official market, the absence of an indicator of CSR disclosure that fits with this environment, and as a result of the absence of this indicator, the listed banks vary in the market Iraq Securities at the level of CSR disclosure.

As a result, the following research questions can be used to crystallize the research problem: Is it possible to create an indicator for revealing CSR that is compatible with the Iraqi environment in light of the current situation of the Covid-19 pandemic? Is there a disparity in the DSR by Iraqi banks (the research sample) listed on the Iraqi Stock Exchange based on the proposed indicator?. The importance of the research comes in the direction of accounting thought towards the expansion of accounting disclosure in light of the accounting conceptual frameworks to achieve the benefit of stakeholders and apply this on the ground by building an indicator for accounting DSR in line with the risks of the Covid-19 pandemic.

## LITERATURE REVIEW

A study (Jordani, 2006) aimed to demonstrate accounting disclosure methods that can be used in preparing information expressing CSR that can be disclosed in financial reports of various beneficiary parties and in making various decisions, using a proposed model for the reports to be disclosed. A study (Issa & Mahmoud, 2014) aimed to develop a proposed framework to increase the effectiveness of CSR disclosure for the purpose of improving the quality of financial reports and maximizing the value of the enterprise through application in the Egyptian context. A study (Staniuliene, 2015) aimed to demonstrate the extent to which CSR and sustainability information were disclosed in the annual performance reports of Lithuanian public universities, and three areas were selected according to GRIG4 represented by environmental, economic, and social performance, and given that reporting on CSR In Lithuania, it is not mandatory in which separate sustainability and CSR reports are not published. However, two public universities belonging to the Global Compact Network have obligations to DSR. The study (El-Tahan, 2018) sought to demonstrate the impact of voluntary disclosure of CSR data on asymmetric information in the Egyptian stock market. A study (Hung & Cung, 2020) sought to assess the CSR of small and medium-sized businesses in Vietnam to achieve long-term development, where a set of CSR measures were studied, including participation in vocational training support programs in the community, building clean water

and sanitation programs, participation in social activities, attention to addressing environmental pollution, adherence to environmental health and safety laws. What distinguishes the current research from previous studies is the construction of an indicator to DSR in light of the Covid-19 pandemic in the Iraqi environment, which was not addressed by previous studies.

## **METHODOLOGY**

The following are the objectives of the study: Presenting developments in accounting thought related to CSR disclosure, as well as analyzing some of the effects of the Covid-19 pandemic and its implications for accounting disclosure. In addition, in light of the Covid-19 pandemic, and in accordance with Iraqi environmental data, we propose an indicator for revealing CSR. Also, and testing the disclosure of Iraqi banks for CSR according to the proposed indicator. To achieve the research objectives, the following two hypotheses were formulated:

*H1: it is possible to suggest an indicator for the DSR that takes into account the risks of the Covid-19 pandemic and is appropriate to the Iraqi environment.*

*H2: the discrepancy in DSR in Iraqi banks, the research sample, in light of the Covid-19 pandemic, according to the proposed indicator.*

The research community is represented by the Iraqi banks listed on the Iraqi Stock Exchange, and the research sample is represented by a group of those banks, which total (32) banks. The banking sector was chosen by virtue of the fact that banks are obligated to apply the International Financial Reporting Standards (IFRS). and this is in line with the developments that occur in their accounting practices. The temporal limits of the research are limited to the financial reports for the years 2019-2020 due to the emergence of the negative effects of the Covid-19 pandemic on the banking sector during that time.

## **CONCEPTUAL FRAMEWORK**

### **Introduction to CSR**

The concept of CSR first appeared in the early 1930s, and it was widely agreed that (Howard Brown's) book entitled CSR was the beginning of the contemporary concept of CSR in economic units.

## Concept of CSR

At this stage, attention to CSR is unavoidable, not a luxury demanded by economic units, as is attention to the economic unit's societal consensus with the need to assess performance socially for its contribution to improving performance and achieving sustainable development besides organizing conferences and seminars on the subject.

Many definitions of CSR have been presented in the literature, some of which are conceptual, while others are procedural, due to the fact that they are variable and correspond to the nature and specificity of activities, some of which are explained in the table below:

Table (1) summarizes some of the literature's definitions of CSR.

No.	The concept	The authors opinions
1	The commitment made by entrepreneurs to the community by following a series of procedures.	(Bowe,1953)
2	The continuous ethical commitment of the economic units towards the stakeholders and not exclusively to the shareholders to achieve economic and social development.	(WBCSD,1999)
3	The commitment of the economic unit to achieve sustainable development in joint cooperation with human resources and society to achieve the standard of living in a thoughtful manner.	(World Bank, 2005)
4	Responsibility among other responsibilities, economic in the foreground, legal, moral, and humanitarian.	(Ghdlami, 2011)
5	Continuous commitment by the economic unit to act ethically to contribute to economic development and improve the quality and life of the workforce and their families.	(Ismail, 2019)

Source: prepared by the two researchers based on the referenced sources

Table (1) shows that there is no unified definition of CSR, but the general perspective of the definitions revolves around (the community of units). That is, the incorporation of various aspects of economic, social, moral, and human rights in the various activities of the economic unit, and during the developments that emerged in the concept during the time periods, we find that a widely controversial concept as a result of the changes that occur in society, and because accounting is adaptive and continuous with those changes, this is reflected in the changes and updates that occurred in the concept. In addition, the main objective is no longer making and maximizing profit, but rather achieving reasonable profit while protecting society and achieving sustainability in performance.

As a result, the authors present a definition of CSR as the integrated set of economic, social, environmental, and governance dimensions that achieve (community of economic units) by integrating them into the activities of the economic unit, its strategies, objectives, and

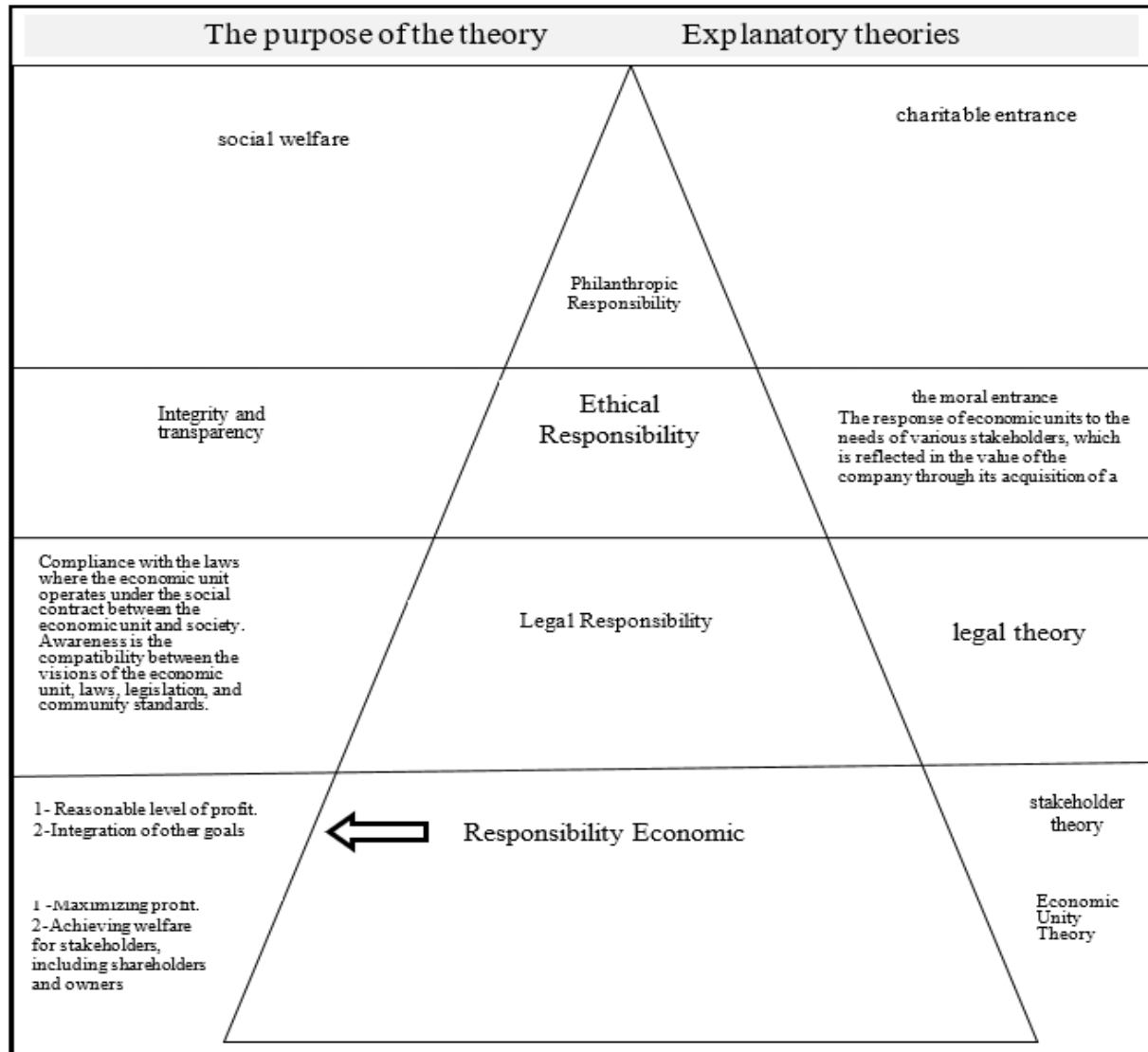
concepts to achieve the added value of the economic unit by adhering to its responsibilities towards stakeholders and disclosing and it is done through integrated report.

### **CSR from an accounting perspective**

Despite the classification of CSR according to the economic, social, environmental, legal and ethical dimensions, and the indicators related to each of the dimensions, the difficulty lies in its quantitative measurement. Figure (1) depicts the pyramid of CSR for the economic unit, given that (economic) is the foundation upon which all responsibilities are built, followed by (legal). which is the legitimacy that governs the work of these units, and the third level is moral responsibility, which ensures the economic unit's dependability and integrity, as well as Charitable responsibility (Philanthropic Responsibility). as it was labelled (Caroll, 1991) to achieve social welfare. The authors believe that the classifications of CSR dimensions stem from accounting theories that frame accounting work and correspond with the development of economic thought.



Figure (1) The explanatory theories of CSR according to (Caroll 1991)



Source: given by the authors

Figure (1) shows that it is possible to employ theories to explain CSR and according to the levels of the CSR hierarchy of (Carol, 1991). The economic unit theory sees that the main goal of the emergence of the economic unit is to achieve economic goals, which represents the goal of maximizing profits as its main goal, And the cornerstone of this theory is (economic interest). as well as the desire for its continuity, and that this continuity is linked to maximizing the owners’ own benefits. For the results and finding the variables that occur on property rights (Salihi et al, 2013).

Shareholders in joint stock companies are stakeholders as well as other parties, internal and external, and there must be a balance between the interests of the two parties, and that the development that occurred was reflected in the main objectives of the economic unit, so the main goal is no longer to maximize profit, but to achieve a reasonable level of it (satisfactory).

in line with other objectives. (McWilliams & Siegel, 2001). The theory of legitimacy assumes as one of its pillars that the economic unit operates within the legal contract between it and society and that the difference and asymmetry between them generates an undesirable situation (Eichirger, 2016). The trend toward achieving economic, social, environmental, and governance dimensions improves societal well-being by meeting the needs of stakeholders and achieving charitable responsibility through activities that the economic unit contributes to supporting individuals in the community and within the economic unit.

### **Benefits of disclosing the dimensions of CSR**

CSR is an entry that takes into account how the economic unit can affect and be affected by society. The DSR leads to the legitimization of the economic unit's activities, as well as the improvement of the economic unit's reputation in society in achieving competitive advantage and employee and customer loyalty to the unit. In addition to reducing the uncertainty associated with the economic unit's value by providing information to shareholders, financial analysts, and stakeholders, which will positively reflect on the company's value and have a positive impact on market prices, and may improve the credit ratings of economic units in proportion to the relationship between CSR and disclosure and the divisions classified by credit rating companies. (El-Tahan, 2018).

### **Accounting for CSR**

Accounting for CSR is one of the topics that has received increased attention in accounting thought in terms of measurement and disclosure. CSR accounting is an accounting system that includes a system of activities related to measuring, analyzing, and communicating information resulting from the economic unit's CSR and disclosure.

The American Institute of Certified Public Accountants (AICPA) issued a joint report with the Financial Accounting Standards Board (FASB) and the United States Securities Exchange (SEC) on the impact of multinational corporations on the sustainable development of each of the countries in which they operate. According to the report, the impact is dependent on the disclosed dimensions of CSR (Al-Ashmawi, 2019: 590).

### **Entrances to reveal economic units' CSR**

Although the DSR did not take the feature of compulsion, but rather the feature of voluntary choice and the attention focused on three entrances (integrative, separatist, integrative) that can be clarified through Table (2).



Table (2): Entrances to reveal of CSR

The incorporation	The separatism	The additional
<ol style="list-style-type: none"> <li>1. Incorporating social responsibility information into traditional financial reports.</li> <li>2. Integration of financial and non-financial information.</li> <li>3. An increase in the information disclosed in the traditional reports</li> </ol>	<ol style="list-style-type: none"> <li>1. Separate reports in the form of additional attached reports.</li> <li>2. Their types are descriptive reports, input reports, and input and output reports</li> </ol>	<ol style="list-style-type: none"> <li>1- Disclosure is made in the non-financial reports of the economic unit with reports under the name of social responsibility, and the management comments appear in the report in a descriptive form..</li> </ol>

Source: given by the authors.

Table (2) shows that the (integrative) approach is nearly one of the most comprehensive approaches, as it provides a comprehensive picture of the overall performance of the economic unit by integrating economic information with social and environmental information, which is reflected in the quality of the informational content of financial reports (Integrated Reporting).

## **CSR in light of the COVID-19 pandemic**

### **Intellectual and professional perspective on the COVID-19 pandemic**

The Covid-19 pandemic has played a pivotal and prominent role in drawing attention to it in terms of its effects on accounting practices and economic units, and professional accounting bodies and groups have sought to harmonize with the pandemic that affected the entire world, as China officially announced in late 2019 a virus that causes rapid death of the infected person in the Chinese province of Wuhan, which paralyzed China's movement. The virus is closely related to the coronary family of viruses, and it was named Covid-19 to spread throughout the world with this name and begin to claim lives and inflict successive losses in the economies of the world to halt the wheel of economic activity (Al-khoury et al., 2022). and it is possible to review the most prominent effects of the pandemic and its reflection on accounting disclosure.

Whereas the Covid-19 pandemic is one of the fundamental events that negatively impacted all economic unit conditions, as represented by a decrease in cash inflows, an increase in fixed costs, a decline in stock prices, retained earnings, dividends, and reserves, as the pandemic occurred in the fourth quarter of 2019, which is the period for preparing final accounts. The issuance of financial reports for economic units, and according to the International Accounting Standard (IAS10). subsequent events that appear after the end date of the financial period require an amendment to the financial statements and their disclosure, while the subsequent events that do not require modification are the events that occurred after the date of preparing the financial statements (IAS10).

According to the data of the Covid-19 pandemic, it occurred in late 2019 and its effects were partial, non-substantial, and limited to the financial markets, and thus the event was not a fundamental event affecting subsequent events and does not require an amendment to the financial statements, but it should be disclosed and its impact on the economic unit's financial position.

The financial risks that accompanied the pandemic of the Covid-19 pandemic were clearly reflected on the financial markets and stock prices, which affects the measurement of the fair value of the markets (Abass et al., 2022) and therefore the need to disclose them, in addition to the fact that companies under the pandemic are disclosing their performance and the risks that they face and the various effects on the company's current and future financial conditions, if they have a material impact on the financial statements (Girvalaki et al, 2020).

**CSR in light of crises - with reference to the Covid-19 pandemic**

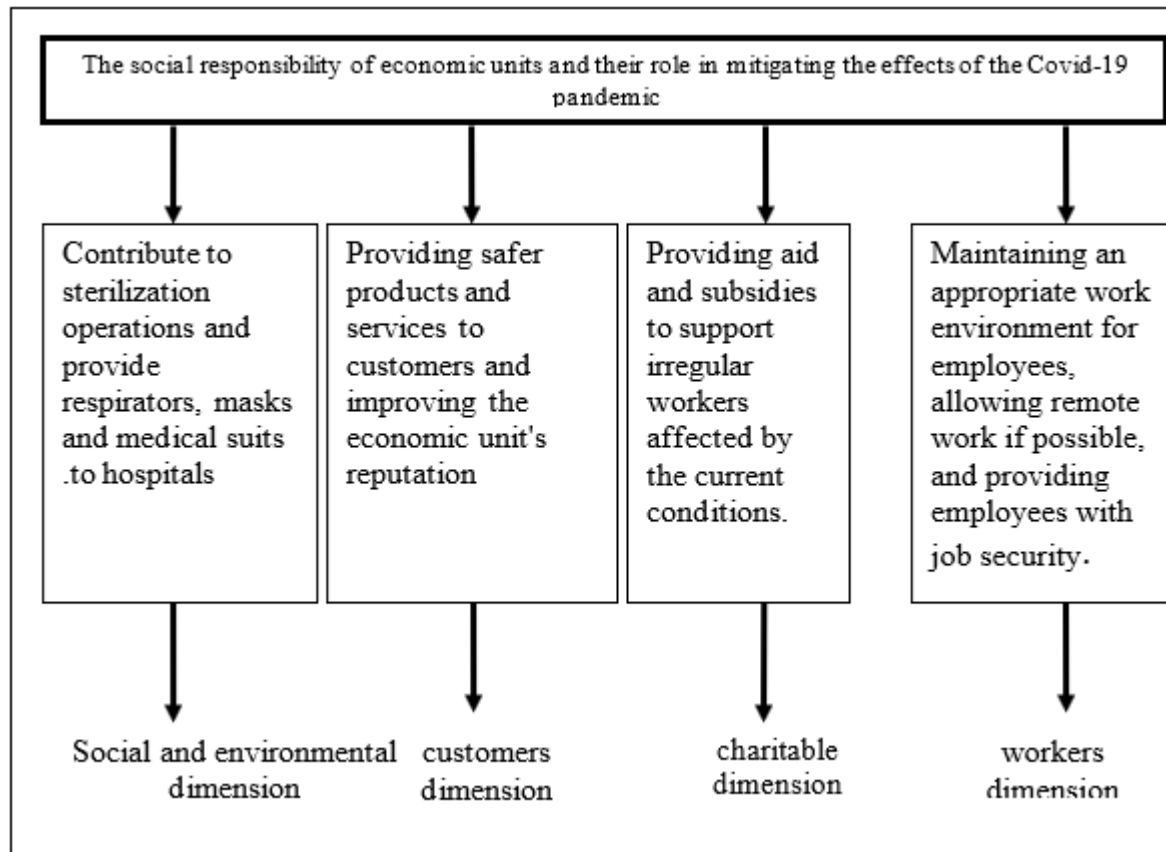
Economic crises have a significant impact on the economic conditions of economic units, such as disruption of business operations within or related countries, such as supply chain disruption and uncertainty regarding asset valuation, which affects cash flows or expected financial information, which may affect the economic unit's ability to continue operations (Serag & Daoud, 2021). One of the most important goals of sustainability is the elimination of poverty worldwide and based on the declaration on the sustainable development goals for the year 2030. Interests have focused on CSR among communities at the local and international levels, financing sustainability and the role of companies in achieving this sustainability by creating value for economic units that contribute to societal sustainability (Abass et al., 2022). Some countries have conducted survey tests to assess the impact of the Covid-19 pandemic on levels of CSR commitment. In the study (Ali et al., 2021) tagged (Corporate immunity to the Covid-19 Pandemic). the immunity of companies from the Covid-19 pandemic, through a survey of a sample of companies in (56) different countries for the period that extended to the first quarter of 2020. The study discovered that there is a direct relationship between companies that in CSR into their activities and the market value of their shares, as it was less than fluctuations in stock prices, in contrast to companies that do not demonstrate interest in CSR. As well as the companies that have maintained their commercial reputation in this crisis are the companies with an acceptable level of DSR, as they are committed to contracts with their employees and with the services provided to customers, as well as a commitment to granting vacations, working remotely, and supporting the injured from them.

According to the study (Givalaki et al, 2020) tagged with tobacco companies' CSR, tobacco producing companies have fulfilled their CSR by donating to health care systems in America and to relief funds for citizens of food and medicines, and they have performed their duties towards society, so the fluctuations What hit this sector was relative and had little impact.

The study (Shanl & Tang, 2020) aimed to test the fulfillment of CSR requirements and its contribution to increasing employee loyalty, which would reflect positively on the impact of the pandemic on the company's financial performance. The company (Fin Tech) was chosen for the period in which the ban or social isolation was announced in early 2020, and the study discovered that the company was meeting the requirements of CSR, and thus the working individuals were satisfied with it, as reflected in stock prices that were not affected by the high decline. Unlike other Chinese Stock Exchange companies, which were affected by a sharp decline in the prices of their shares, and their employees were more likely to lose their jobs as

a result of these companies ignoring their CSR to them. Figure (2) depicts the role of economic units' CSR activities in mitigating the effects of the COVID-19 pandemic.

Figure 2: Economic units' CSR and their role in mitigating the effects of the COVID-19 pandemic.



Source: (Hindawi, 2020)

As a result of the preceding, it is obvious that economic units' social duty is a near-essential demand in the current period, when the world is wrestling with a family under the weight of the Covid-19 pandemic. The response of companies to meet the requirements of CSR will have an impact on the long-term, not short-term, level, and the disclosure of that responsibility will earn the economic units credibility, trust and improve the reputation. In another approach, the benefits come from adopting CSR in economic units in two directions through achieving a joint value for the economic unit and stakeholders as follows (Revuelto-Taboada et al., 2021):

- A. Integrating internal and exterior social activities in the activities of the economic unit.
- B. There are axes where the interests of the economic unit and the social partners converge.

- C. The economic unit's future vision and strategic objectives may include social values.

### **The Index of CSR Disclosure - International Experiences**

#### **A. Egypt's Experience / CSR Index (ESG):**

Egypt released the Egyptian Environmental, Social, and Governance Index (ESG) in collaboration with the Egyptian Center of Directors (ELOD), Standard & Poors (S&P), and the Crisil Foundation which is a rating agency that classifies financing institutions and investment companies in the private sector. A responsibility index has been built that includes meeting the requirements of social, environmental and governance responsibility. It assesses the level of voluntary disclosure of Egyptian-registered companies. This index includes indicators of CSR such as respect for environmental rights, respect for workers' rights, and social distancing. For any transactions where there is a suspicion of corruption (Abdelfattah & Aboud, 2020).

#### **B. Sweden:**

The Swedish stock exchange requires listed companies to DSR reports. Otherwise, they must provide a reason for not disclosing. According to (KPMG), one of the four major auditing firms, Swedish companies have also used these reports internally to increase their chances of entering new markets. External reports serve as a media source for companies as well as a source of their ethical commitment (Al-Husayny, 2021).

#### **C. United States of America:**

In response to market demand for information, the New York Stock Exchange and the Dow Jones Sustainability Index, which measures the performance of economic units in terms of social, economic, and environmental activities, including CSR reports, show an increase in interest in CSR reports (Issa, 2014).

#### **D. The GRI (GRI) (GR1) GRI:**

On July 1, 2018, the GRI published the new GR1 standards to replace the previous guidance (G4). and GR1 standards were designed for economic units to use to disclose their environmental, economic, and social impacts ECG (Al-Haija et al., 2021).

#### **E. Findings: CSR disclosure in Iraqi banks (research sample) based on the proposed indicator 1.5 Research on the community and the sample**

The banking sector, that is, the 38 banks listed in the Iraqi market for securities for the year (2019-2020), is the research community. This is the period during which the effects of the Covid-19 pandemic emerged on financial markets, including the Iraq Stock Exchange. The research sample is represented by the banks that contributed by donating in response to the

Central Bank of Iraq's call to support the Ministry of Finance's fund to combat this dangerous epidemic and overcome the crisis (Dempster et al., 2020). The number of these banks has reached (32). and Table (3) shows their contribution.

Table (3) Iraqi private banks (research sample) contribute to CSR by donating to the Corona pandemic

No.	The bank name	Donation amount / million dinars	No.	The bank name	Donation amount / million dinars
1	Al-Ahly of Iraq	300	17	Kurdistan	100
2	The Union	150	18	Islamic Elaf	100
3	International development	150	19	Al-Mansour Investment	100
4	Zain Iraq	150	20	Territory	100
5	Baghdad	150	21	Jihan	100
6	Taif Islamic	120	22	International Islamic	100
7	Arab Mashreq Investment	120	23	Erbil Investment	100
8	Islamic reconciliation	120	24	guidance	100
9	Iraqi Islamic	100	25	Arabic Islamic	100
10	Wifaq Islamic	100	26	Asia Iraq	100
11	The Secretary of Islamic Iraq	100	27	Commercial gulf	100
12	Across Iraq for investment	100	28	International Islamic Trust	100
13	Islamic world	100	29	Iraqi credit	100
14	Al Shamal Investment and Finance	100	30	Ur	100
15	Sumer Commercial	100	31	industrial	100
16	the South	100	32	Mosul for development	100

Source: the official website of the Central Bank of Iraq.

According to the previous table, banks have contributed to donating money in an attempt to reduce the negative effects of the Covid-19 pandemic, as well as other contributions such as deferring the Central Bank initiative installments for three months to reduce the burden on citizens, and the cooperation of some banks with the Ministry of Health and the Medical Syndicate to support the medical field.

### **The proposed approach to developing an index of CSR disclosure in the aftermath of disasters and pandemics - with reference to COVID-19**

**The index's main objective:** The index's goal is to create an index that discloses the practices of the economic units listed on the Iraqi Stock Exchange in terms of CSR in the face of disasters and catastrophes, with reference to Covid-19 due to the absence of such an indicator in the aforementioned market.

**Scope of the indicator:** It can be applied to all economic units listed in the Iraq Stock Exchange, regardless of their activities.



**Sources for index construction:** The index was constructed using a variety of sources, most notably the experiences of some countries, including the United States of America, Sweden, and Egypt, as well as the GRI GR1-2018.

### **The contents of the indicator**

#### **A. Social, charitable, and ethical responsibility disclosure**

The economic unit engages in and discloses the following activities. Providing a health-care system that includes contributions to worker health-care costs. Contributing to the development of a sector-specific insurance system. In times of disasters and pandemics, providing financial assistance to those in need. Distribution of social benefit shares during disasters and pandemics. During the pandemic, providing safety and social distancing conditions. Total benefits paid to workers infected with the Covid-19 virus must be disclosed. Postponing premiums or (exempting them) incurred by workers in light of disasters and pandemics. Continuing to pay salaries and wages to temporary workers during the period of disasters and pandemics. Providing logistical support for protection and prevention of disasters and pandemics. Participation in awareness campaigns aimed at educating the community about the dangers of Covid-19. Forming a crisis management cell during disasters and pandemics. Average training hours to prevent the effects of the pandemic. The unit's societal contribution in the field of education, such as the payment of premiums for students who lost their source of income during the pandemic. Employees were granted sick leave during the pandemic. The unit's contribution to providing financial support to research and medical centers to conduct research in response to the pandemic's consequences. The unit's contribution in the field of human rights. revealing the results of employee satisfaction surveys conducted by the unit The number of complaints filed by employees regarding racial and religious discrimination.

#### **B. Environmental Responsibility Disclosure**

The economic unit engages in and discloses the following environmental activities by providing environmentally friendly products and services that contribute to the community's health. Contribution of the unit to environmental activities such as sterilization and cleaning campaigns Providing medical supplies to hospitals and medical centers during disasters and pandemics. Instilling a sense of environmental responsibility in the economy and society. Attracting projects that aim to improve the environment and reduce the risk of disasters and pandemics. The unit's contribution to ensuring employee environmental security. The unit paying taxes and fines for some harmful effects on the environment resulting from the activities carried out by the unit. The unit's contribution to reducing environmental pollution through the

installation of pollution-reducing machines and equipment. Contribution of the unit to local and international scientific symposiums and conferences on the environment. Contribution of the unit to assisting researchers and graduate students by: (1) providing information on the unit's environmental performance. (2) Funding for environmental research. Workers should be protected from air degradation by wearing masks and wearing protective suits. The contribution of the unit to the reclamation of lands within and around the unit, as well as the planting of trees to improve the environment. Contribute to the effort to reduce greenhouse gas emissions. Recycling waste to protect workers' and society's health. Reduce pollution by relying on green energy sources. Costs associated with standard laboratory tests used to detect contamination. Adopting digital technologies when holding meetings to protect workers' health. Developing collaborations with hospitals and health centers to examine (PCR) workers in order to protect their health.

Thus, the first research hypothesis has been proven (it is possible to suggest an indicator for the DSR that takes into account the risks of the Covid-19 pandemic that is compatible with the Iraqi environment).

#### **CSR disclosure test of Iraqi banks (research sample) based on the proposed indicator**

To test the second research hypothesis (the discrepancy in DSR in Iraqi banks (research sample) in light of the Covid-19 pandemic according to the proposed indicator). the media content of bank reports (research sample) from the pandemic year 2019-2020 was analyzed using the proposed indicator. Table (4) shows the DSR by banks prior to the two researchers. According to the proposed indicator, the mark ( $\checkmark$ ) denotes banks that disclosed CSR and the mark (X) denotes banks that did not DSR.

Table (4): CSR disclosure for research sample banks based on the proposed indicator

No.	The Bank name	DSR
1	The National Bank of Iraq	$\checkmark$
2	Union Bank	×
3	International Development Bank	×
4	Zain Iraq Bank	×
5	Baghdad Bank	$\checkmark$
6	Taif Islamic Bank	×
7	Arab Mashreq Investment Bank	×
8	Al Wefaq Islamic Bank	×
9	Iraqi Islamic Bank	$\checkmark$
10	Islamic Wifaq bank	×
11	Amin Iraq Islamic Bank	$\checkmark$
12	Trans Iraq Investment Bank	×

13	World Islamic Bank	√
14	North Bank for Investment and Finance	×
15	Sumer Commercial Bank	×
16	South Bank	√
17	Kurdistan Bank	×
18	Elaf Islamic Bank	×
19	Al-Mansour Investment Bank	√
20	District Bank	×
21	Cihan Bank	×
22	International Islamic Bank	√
23	Erbil Investment Bank	×
24	Al Huda Bank	×
25	Arab Islamic Bank	×
26	Bank of Asia Iraq	×
27	Gulf Commercial Bank	√
28	International Islamic Trust Bank	×
29	Iraqi Credit Bank	√
30	Ur Bank	×
31	Industrial Bank	×
32	Mosul Development Bank	√

Source: given by the authors.

According to the table, only (11) banks out of (32). or (34.3%) have disclosed CSR, highlighting the importance of developing a CSR indicator that can be used by economic units listed on the Iraqi Stock Exchange.

Thus, the second research hypothesis was proven (the discrepancy in DSR in Iraqi banks, the research sample, in light of the Covid-19 pandemic, according to the proposed indicator).

## CONCLOSIONS

The evolution of the economic unit into a societal unit sparked a surge in interest in the unit's social duty, which it expresses through its contributions to social, environmental, and economic activities, as well as its moral, legal, and charitable responsibilities. The inclusion of CSR disclosure in the economic unit's financial reports offers information to shareholders, financial analysts, and stakeholders, and has a beneficial impact on the unit's value, reputation, and ability to compete. There is a direct link between CSR disclosure and boosting an economic unit's credit rating. There are several approaches to revealing CSR, including integrative, separatist, and integrative approaches.

The consequences of the Covid-19 pandemic, including its effects on global economies and subsequent losses, were reflected in accounting disclosure, because the risks associated

with the pandemic affected stock prices in financial markets as well as the activity of economic units and their financial position, which requires disclosing its impact if it is material to the financial statements. In light of the Covid-19 pandemic, companies operating in the Iraqi securities market (including banks) lack an indicator for DSR, so the level of disclosure varies.

Economic units should also embrace CSR by adhering to its social, economic, ethical, environmental, and governance elements. In light of the Covid-19 pandemic, the adoption of the proposed model for the indicator of CSR disclosure, to disclose the responsibility of economic units in its different dimensions. Involving personnel in economic units in training courses may improve their measurement and accounting capacities, as well as to raise awareness of CSR and its necessity in the face of pandemics and disasters. Adopting the most thorough method to CSR disclosure, which is integrated reporting. The basic consequences of the Covid-19 epidemic on the unit's activities and financial condition must be disclosed to promote transparency and integrity.

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