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Mainstreaming Standardized Sustainability Reporting: A Brief Overview During Covid-19 Pandemic

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For everyone out there

building an accountable, equitable, and sustainable world.

Abstract

Standardized Sustainability Reporting (SR) can positively influence organizational accountability and transparency. I aimed to determine the rigor of SR during the year of shelter-in-place at the height of the Covid-19 pandemic. I reviewed a selection of existing publications on SR trends, mandates, and implications. I conducted a content analysis on the sustainability reports published in 2020 by the samples ($N = 100$), a combination of the Top 50 Fortune 500 companies and Top 50 US News and World Report global higher education institutions (HEIs) to examine the compliance with the standard reporting frameworks and how the United Nations Sustainable Development Goals (UN SDGs) were referenced and presented. The results suggested that Fortune 500 companies and global HEIs did not design sustainability reports in the same fashion. However, samples in these two categories did not exhibit any significant difference in the likelihood of following a standard SR framework, the most popular being Global Reporting Initiative (GRI). The official logos of the UN SDGs made a fair appearance, which indicated the reporting organizations' awareness of legitimacy building in their sustainability reports. It is also important to note that SDG 13 Climate Action received the highest percentage of inclusion (100%). The results also found that for-profit corporations in the private sector are much more likely to publish a stand-alone sustainability report. The size of the sample does not allow a sufficient analysis of the entire sector each category represents. Future research can further explore the driving force behind SR—accountability and transparency or marketing / public relations.

Keywords: Sustainability Reporting (SR), mandatory reporting, organizational accountability and transparency, Global Reporting Initiative (GRI), content analysis

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Introduction

"*…Sustainability, or fairness to the future, therefore, involves the concept of stewardship, the idea that the living generation must be stewards of the earth's resources for the generations that will come later…Let the future say of our generation that we sent forth mighty currents of hope and that we worked together to heal the world.*"

—Jeffrey D. Sachs

Our society is faced with unprecedented challenges. To combat Covid-19's lasting impact in economy, human and health services, and the environment will require a concerted effort among the public, private, and social sectors. Mainstreaming sustainability will prove critical to the society's recovery. A key step of that is to increase and standardize the effort in sustainability reporting, so that business activities can be carried out in a fairer, more transparent, accountable, and equitable manner. UN Secretary-General Antonio Guterres said, "We need to turn the recovery into a real opportunity to do things right for the future" (United Nations, n.d.). Nearly every aspect of our society, policy, and culture is shifting. In lieu of such changes, we must tailor our approaches to meet the challenges presented to us, because the fact that we consumed less resources due to the temporary halt or shutdown of various industries during this pandemic provides little silver lining for the environment. Standardized sustainability reporting can play a major part in an organization's accountability and transparency.

Sustainability Reporting (SR) based on environmental, social, and governance (ESG), an evaluation process of measuring the impact of investments and business activities beyond the monetary value continues to gain traction. Nonfinancial disclosure is a crucial step to creating a more sustainable society (Eccles & Saltzman, 2011). It is becoming increasingly common as more for-profit companies in the private sector recognize the benefits of assessing the efficiency and reducing consumption of resources, improving treatment of employees, increasing engagement with the community, while simultaneously improving their reputation and public image (Jones & Mucha, 2014). The release of the UN SDGs 2030 Agenda heightened the investors and stakeholders' awareness of the tough environmental challenges that must be resolved in a collaborative manner. Sustainable Development Solutions Network (SDSN) releases an annual detailing the progress globally. As I draft this paper, the 2021 report has just been released (Sachs et al., 2021). If a company is creating social good, that effort deserves and ought to be measured, and the results shown. Vice versa. SR can also help point out the areas where improvements are needed.

SR's popularity has been steadily increasing. About 90% of S&P 500 companies published sustainability reports in 2019 (Governance and Accountability Institute [G & A], 2020), although currently mainly larger companies have the resources to track, analyze, and report on the data metrics. A sizable number of US corporations release their reports due to the pressure from stakeholders demanding more transparency and social impact, as well as the need to maintain a healthy public image. While SR remains a voluntary act in the United States, the European Union law made it mandatory that listed companies, financial institutions, and public-interest entities "must comply" (European Commission, 2014) with the Non-Financial Reporting Directive. To do it for publicity or to do it because you care? That is a good question. However, one does not preclude the other. There is nothing wrong with doing it for both purposes, but it is a matter of balance and integrity.

Sustainability Reporting

Global Reporting Initiative defined sustainability reporting as "an organization's practice of measuring, disclosing, and being accountable to internal and external stakeholders by reporting publicly on its economic, environmental, and/or social impacts, and hence its contributions—positive or negative—towards the goals of sustainable development" (GRI, 2016). Adopted at the United Nations General Assembly (2015), the 17 sustainable development goals (SDGs) for the global community and intergovernmental collaboration along with 169 associated targets and 234 measurable indicators demonstrate the scale and ambition of the global plea and resolve for a better and more sustainable future. These SDGs have served as the foundation and raison d'être for sustainability reporting of corporate business entities, NGOs, and nonprofit organizations.

Given the number of targets, it can be daunting for an organization to select and report on key metrics that are relevant to its work. Year 1993 marked the uptick of the corporate SR activities, but only 12% of the largest-cap companies included some form of sustainability information in their reports. Over the past 20 years, the percentage has grown exponentially and reached above 80% worldwide by 2019, with leading industries such as technology, retail, oil, healthcare, and automotive capping 100% reporting rates (KPMG, 2020).

Various principles and frameworks offer support for the simplification, uniform, and organization. It ensures that reports which follow the same framework can easily be understood by accounting and sustainability professionals and compared side by side. Moreover, the frameworks are designed to hold an organization accountable by requiring compliance with a standardized format and key measurements. According to a recent survey, GRI remains the "most dominant global standard for sustainability reporting" (KPMG, 2020, p. 25). Currently, there are over 40,000 sustainability reports issued under the guidelines of GRI alone.

The term Sustainability Reporting (SR) is used throughout the entire paper, but in cited works, other terms such as environmental, social, and governance (ESG), corporate sustainability, and corporate social responsibility (CSR) may also appear. In this research, I do not distinguish these similar coined terms, however, this paper is focused on the act of reporting, especially standardized reporting following a globally recognized framework, rather than the concepts of sustainability.

Global Reporting Initiative (GRI)

GRI set the parameters of good practices and key metrics by integrating all UN SDGs and provided a uniformed structure for sustainability reporting. GRI has been the de-facto global standard for corporate sustainability reporting since 1999. In 2019, 51% of the S&P 500 reporting companies followed GRI Standards (G&A, 2020), making it the most widely applied reporting framework designed to be used by organizations to report about their impacts on the economy, the environment, and/or society (GRI, 2016). GRI has global strategic partnerships with the Organization for Economic Co-operation and Development (OECD), UNEP and UNGC. Its framework synthesizes guidance from the International Finance Corporations (IFC), ISO 26000, the United Nations Conference on Trade and Development (UNCTD) and the Earth Charter Initiative (ECI). Apart from the Universal Standards, the latest update also further separated the sectors and topics, making it easier for reporting organizations to best select the most relevant standards based on their industries (GRI, 2021). Moreover, GRI offers SR training through its GRI academy and self-managed online courses, which enables globally applicable and recognized professional development—a monumental step toward building an army of sustainability professionals with standardized industry and SR knowledge.

Organizations across sectors are feeling the pressure from various stakeholders such as government, investors, and consumers to release more information about their sustainability practices—from environmentally friendly practices and climate initiatives to workplace culture and equity building, to which they are held accountable for their decision-making on environmental and social justice. It is important to note that GRI requirements were only to be read "in the context of recommendations and guidance", and a reporting organization was "not required" to comply with recommendations or guidance in order to claim that a report has been prepared "in accordance with the Standards" (2016). The purpose of GRI is to induce a process of standardization for disclosures by developing a universally accepted framework for SR with more than 25,000 reports released under its guidelines by over 10,000 organizations. At the time of composing this paper, GRI (2021) just launched its most recent update to its reporting standards, in which the language has been altered and further refined with accuracy and emphasis on requirements that an organization "must report" or "comply with" the standards outlined in the framework, which will undoubtedly push the standardization further with enhanced readability and comparability among sustainability reports.

Sustainability Accounting Standards Board (SASB)

Corporate accountants and risk management professionals in the United States are more familiar with this framework. Founded in 2011, it is in popular demand especially among corporate investors with sustainability investing occupying the spotlight in recent years. SASB was organized by investors to bring more disciplined and organized reporting by publicly traded companies for sustainability performance disclosure and at the same time focusing on what is financially material information. It is more narrowly focused on a select few disclosures relevant to a company's overall sector and is geared more toward a specific investor audience. SASB Standards (2017) have been created to:

> identify the subset of ESG issues most relevant to financial performance in 77 industries; its rigorous and transparent standard-setting process includes evidence-based research, broad and balanced participation from companies, investors, and subject matter experts, and oversight and approval from an independent Standards Board.

Other Frameworks

Apart from GRI and SASB, there are other frameworks available for standardized SR. Some of them are focused on specific areas of the environment such as climate change, while others are designed to better suit the needs relevant to specific industries.

Carbon Disclosure Project (CDP), as its name suggests, is a carbon-focused framework and a "not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts" (CDP, n.d.). Fortune 500 companies often refer to this framework as supplemental information on top of GRI.

International Petroleum Industry Environmental Conservation Association (IPIECA) is "the global oil and gas industry association for advancing environmental and social performance. We have been championing good practice for 45 years" (IPIECA, n.d.; 2020). Companies such as ExxonMobil, Chevron, and Shell all follow this framework. The effectiveness of an industry's framework created to regulate the sustainability practices of itself remains unknown.

Principles for Responsible Management Education (PRME) is a United Nations-supported initiative as a platform to raise the profile of sustainability in schools around the world. Being an initiative of UNGC, PRME's work aims to have management schools and business collaborate on common aspirations and create collective impact (PRME, n.d.).

Sustainability Tracking, Assessment, & Rating System (STARS) is "a transparent, self-reporting framework for colleges and universities to measure their sustainability performance" (STARS, n.d.). However, a large number of schools have not yet released any progress report and been rated for their sustainability efforts and activities.

Task Force on Climate-Related Financial Disclosures (TCFD). The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to "improve and increase reporting of climate-related financial information" (TCFD, n.d.), so that better information can help with market transparency and stability.

United Nations Global Compact (UNGC) is a call to companies to align strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, and take actions that advance societal goals (n.d.). It is a voluntary pact of ten principles that involves more than 12,000 companies in over 160 countries, representing nearly every sector and size. Companies that want to become UNGC participants are required to prepare a Letter of Commitment expressing adherence to the ten principles. Moreover, they must provide a report called Communication on Progress on a yearly basis. Orzes et al. (2020) advocates for UNGC certification.

Chief Sustainability Officer

As more corporations started to release reports on their sustainability performance, a new leadership role emerged—Chief Sustainability Officer (CSO). Miller & Serafeim's study (2014) showed that the authority and responsibilities of CSOs have been increasing following the trends of growing popularity of sustainability reporting. Kate Brandt (Google) and Audrey Choi (Morgan Stanley) are among the most well-known CSOs. Weinreb Group (2021) noted that a mass hiring of 31 CSOs took place in the year of 2020—a direct response to the outcry of stakeholders demanding environmental and social justice—that grew the total number to 91, among which, over 50% are women, but only 16% of the 91 CSOs identify as a race other than white. Aside from that, there is a good reason to believe that more companies will follow suit and hire their own CSOs in the near future. The role of higher education institutions (HEIs) in incorporating sustainability education into business programs will prove even more valuable. This new phenomenon may bring forth the precious opportunity for aspiring sustainability professionals to fulfill their passion for sustainability leadership.

Research Questions

I started this research with beliefs that SR should be regulated and mandated by law as a standard for sustainable business practices across the sectors. However, the scope of this research is not to provide any definitive answers or exhaustive data to but only aim to examine and elucidate the SR behaviors and potential trends exhibited by top 50 Fortune 500 companies by revenue and global HEIs at the height of Covid-19 pandemic (Year 2020) by applying the content analysis method to sustainability reports released in 2020 with hope to add to the study on the relationship of SR with organizational accountability and transparency in any limited way possible. With that in mind, I formed the research questions as follows:

RQ1: How do Fortune 500 and HEIs design sustainability reports?

RQ2: How do Fortune 500 and HEIs follow SR frameworks?

RQ3: How do Fortune 500 and HEIs present UN SDGs in sustainability reports?

Hypotheses

$H1_0$: Fortune 500 and HEIs design sustainability reports in the same way. (RQ1)

$H2_0$: The likelihood of Fortune 500 and HEIs following SR frameworks is the same. (RQ2)

$H3_0$: Fortune 500 and HEIs both display a high-level use of the official SDG logos. (RQ3)

Literature Review

Nonprofit organizations not only provide many essential services to societal needs, but they can also do so with added benefits, such as advocacy, community building, and innovation. Salamon et al. (2000) noted that "the nonprofit sector is a major force of considerable promise for alleviating social problems facing the world" (p. 25). While nonprofit organizations are making a much-needed social impact, this intrinsic role of the nonprofit sector has hardly been sufficiently measured by standardized metrics. Only a few international nonprofits have begun voluntarily assessing and reporting their environmental, economic, and social sustainability performance in response to growing public awareness of sustainability issues. In an era when the inseparability of ESG is increasingly apparent, it is no longer sufficient for nonprofits to meet the minimum requirements of financial accountability and annual reporting.

SR frameworks have been mostly designed based on the needs of our society nonprofit organizations are set up to address. SR is a "new paradigm shift that is not only related to disclosure, but also integrates with the communication process between companies and stakeholders" (Meutia et al., 2021, p. 23). Therefore, it puts nonprofit organizations in a unique position to lead the effort in demonstrating the outcomes by adopting a standardized sustainability reporting framework. Sustainability accounting rule making has evolved overtime resulting in proliferation of reporting rules that have improved the extent and scope of SR in GRI (Jones & Mucha, 2014; Sisaye, 2021). It makes a significant difference not only to collect consistent and complete information, but also to translate it into an appropriate unit of measure that can be reported and interpreted (Deloitte, 2016).

Currently, SR is either voluntary or mandatory. Even with directives in EU countries, organizations that choose to report have abundant flexibility on how to collect data, which metrics to use, and which framework to follow. This results in a lack of consistency in format that makes it difficult to compare and contrast these reports and draw a line between compliance and best practice (McConville & Cordery, 2021), because frameworks have yet to figure out a way to be compatible with each other's standards despite the similarities they share and the foundation (UN SDGs) on which they were created.

Sustainability Reporting in Public and Nonprofit Sectors

Although it is still up for debate whether SR should become a mandate and legally regulated, the potential impact it may have on the overall sustainability-related activities warrants a deeper dive into the current rigor and landscape of reporting across sectors, especially the not-for-profit sectors owing to their inherent interest in promoting the public good, which makes it all the more critical demonstrating approaches to SR that acknowledge and honor social and environmental concerns as equal in importance to economic concerns. Not-for-profit organizations have an enormous opportunity and responsibility to account for their positive and negative impacts in the interest of the communities and stakeholders they are chartered to serve, even though they are typically slow to adopt the SR practice (Jones & Mucha, 2014).

At present, public and nonprofit organizations are falling behind in SR, despite the social missions and impacts they set out to achieve. Salamon et al. (2000) classified the accountability gap of NGOs as one of the four key failures of philanthropic organizations. Today, organizational transparency in the nonprofit sector is still missing. Reports are too much focused on "the user needs of powerful funders, influenced by media attention, sometimes misleading or more in line with an impression management than providing an overall, unbiased picture of NGOs performance" (Traxler et al., 2020, p. 1295). Reporting frameworks such as GRI can play a significant normative role to guide immediate and short-term best practice in Covid-19 reporting (Zharfpeykan & Ng, 2021). However, it is time that we leverage GRI reporting for the most vulnerable rather than powerful stakeholders and recognize proactive change.

Many professionals in charge of SR in the public sector criticized frameworks like GRI for being presumptuous about every reporting organization's sustainability knowledge. Domingues et al. (2017) noted that "GRI does not teach sustainability; it assumes pre-knowledge or worse, that sustainability means different things to different organizations" (p. 297). Internal motivations are responsible for publishing the reports and external stakeholders are generally not being included, whereas in the private sector, most SR efforts are geared toward investors and other external stakeholders, even though 40% of the reports mainly contain boilerplate language (D'Aquila, 2018). Despite the fact that organizations in the public sector are still lagging behind in the SR journey, SR appears to be one of the drivers for "organizational change management for sustainability", since it has the possibility to "affect the organizational culture" (Domingues et al., 2017, p. 300).

Given that the public sector involves a great number of stakeholders, such as taxpayers, public service users, voters, and employees, SR will contribute to the "transparency and accountability" of the public organizations (Uyar, et al., 2019, p. 238). The absence of legal obligations to publish sustainability reports is not impeding progress in terms of individual initiatives by local government sections, at least in English-speaking and Nordic countries (Navarro Galera, 2014). However, previous research on mandatory SR showed a statistically significant and positive association between the adoption of the GRI guidelines and the level of transparency of nonfinancial disclosures and environmental sensitivity. Wachira et al. (2020) argued that "SR encourages transparency and reduces information asymmetries between organizations and their stakeholders; Integrated reporting, on the other hand, combines facets of SR but is oriented towards primarily fulfilling the information needs of investors" (p. 613). Whether this result yields any promise for potential mandates on SR in the US and other larger economies remains unknown. Nonetheless, there is evidence of organizational benefits concerning increased staff motivation and data management capacities, and SR can be valuable for governments as a learning, management, and communication tool (Niemann & Hoppe, 2017).

Apart from potentially increasing an organization's transparency and accountability, SR can also influence government funding to non-governmental organizations. Higher funding opportunities result in an NGO's effort in clearly demonstrating social accountability, and vice versa. Gazzola et al. (2021) discovered a series of links between SR and funding levels of NGOs:

> Increased levels of transparent reporting and the public disclosure of information made available in digital formats boost confidence in this [nonprofit] sector; transparency levels act as a trust-building tool. The stronger the sustainability reporting and disclosure practices of an NGO, the more trustworthy the organization will be viewed by the public, donors, constituents, and regulators. (p. 10)

Hence, the argument which claims that the higher levels of funding opportunities. "Organizations must change to reflect viewing sustainability from an organizational to an ecosystems perspective, therefore moving away from the dominance of 'managerialist' practice and setting the standard for the manner in which all organizations disseminate information about their sustainability activities" (Dumay et al., 2010, p. 545) with enhanced accountability and transparency for environmental benefits and social impact.

Sustainability Reporting in Higher Education

HEIs have a pivotal role in mainstreaming sustainability thinking within society (De Lange, 2013). Universities have been traditionally known as places where intellectual inquiry and advances in knowledge are paramount. Therefore, there is an expectation that universities would place much emphasis on SR to fulfill the proper nonfinancial disclosure for transparency and informed communication with various stakeholders (Gamage & Sciulli, 2016). Although there has been a considerable increase in the publication of sustainability reports in the corporate world in the last decade, SR in higher education institutions is still embryonic (Ceulemans et al., 2015; Gamage & Sciulli, 2016; Sepasi et al., 2018), and it is mainly seen in the struggle to fight against corruption, promote diversity and equitable work environments (Adams et al., 2014; Caputo et al., 2021). This appears to be the opposite in contrast to the listed private corporations where reports are mostly focused on environment-related information.

In the United States, how SR is being managed in education exhibits similar traits with the private sector where large corporations are more likely to divert resources onto reporting actitivities. Large R1 universities with vast endowments and a reputation to uphold and protect tend to be more willing to disclose their sustainability results. SR in higher education is in a very early stage largely due to the lack of an established and widely recognized SR framework (Huber & Bassen, 2018). Most schools' sustainability reports are chiefly loaded with feel-good stories but lacking substantial data metrics that can be measured and compared by following a standard reporting framework. SR activities are predominantly driven by internal motivations, with the majority of the efforts being mainly led by staff, and sometimes by students which only leads to incremental changes, such as an increase in awareness of sustainability, and improvements in communication with internal stakeholders, while real change is absent due to the lack of stakeholder engagement, proper institutionalization, and measurable metrics (Ceulemans et al., 2015; Larran-Jorge et al., 2019).

Gamage & Sciulli (2016) found that SR may also implicate a "political dimension, in that there needs to be a united voice from the government on the importance placed on universities to be leaders in sustainability practices and development" (p. 188). While few universities are adequately accountable to their stakeholders and report on their sustainability performance (Ceulemans et al., 2015), one can, arguably, compare public higher education institutions to NGOs and private higher education institutions to private corporations. "Public higher education institutions may follow a normative or moral approach toward sustainability whereas private institutions pursue an enlightened self-interest approach toward sustainability," argued Sepasi et al. (2018, p. 673) who also pointed out six factors that influence the adoption of SR in education: "purpose and mission, city-business ecosystem, national/state legislature and policy, research-education-science nexus, local-campus culture, and international norms among higher education institutions" (p. 672). Moreover, Larran-Jorge et al. (2019) found that "the most influential variables are institutionalization, geographical region, external assurance for quality and leadership" (p. 1036). Consistent support from top leadership is crucial to the process of SR and practices of SR could be conceived as a tool for improving the process of accountability to society in the context of universities (Blanco-Portela et al., 2017; Larran-Jorge et al., 2019; Lozano et al., 2013).

Like most corporations, higher education institutions do not provide externally audited sustainability reports. Information on sustainability performance is gathered by in-house staff. However, the existence of SR activities can "foster a culture of sustainability in higher education institutions and raise awareness with regard to sustainability within the organizations as well as in relation to their stakeholders" (Sepasi et al., 2018). Meanwhile, by proactively disclosing social and environmental information, schools can avoid unwanted attention from stakeholders.

Legitimacy building remains one of the key drivers of SR in higher education. De Lange (2013) found that "a university stuck in its current place in the hierarchy may become distinguished by excelling in a niche" (p. 110). SR adoption by the most elite of universities indicates the urge to maintain their reputation and status, which would then attract better students and garner more financial contributions in the future. Elite schools also display their commitment to SR by offering graduate degrees, such as its PhD in Sustainable Development and Master of Science in Sustainability Management at Columbia University. University of California (UC) has a relatively long history of SR. Since 2003, UC has been releasing its annual sustainability report that demonstrates the sustainability effort of each of its ten campuses. Located in California, UC enjoys the progressive and environmentally friendly culture. It is a massive organization that bears different dimensions of SR engagement which may not be feasible for smaller schools, public or private. However, "Elite universities are not very embedded in the university community, as a whole; after all, only a few universities can be at the top" (De Lange, 2013, p. 107).

Standardization of Sustainability Reporting

It can be overwhelming when it comes to choosing an SR framework for your organization. To make matters worse, the lack of compatibility and consistency in the SR practice offers little solace. The main problems of sustainability reporting nowadays are insufficient comparability of reporting, accuracy (lack of materiality, reliability, and validity of indicators), lack of common approaches for its verification (Makarenko et al., 2020; Mynhardt et al., 2017). Whether it is GRI, SASB, or another reporting framework, it is high time that different sectors sit down at the same table and come to a conclusion which one they are going to use, so that reports can be easily interpreted and compared against each other with the same standards.

Mandatory Sustainability Reporting—A Gospel?

Higgins et al. (2018) argued that "sustainability is something that has come to affect a wide variety of different types of firms and their need to fit in and adopt normal and acceptable practices is strong" (p. 322), and "GRI has a number of limitations, including its ability to disguise unsustainable aspects of company operations" (p. 313), which exerts only weak pressure for reporting. An examination of the GRI database suggests that a number of firms assumed to be likely to report based on their strategic or organizational characteristics do not, but a growing number of firms that seem unlikely to benefit from reporting do.

This begs the question if companies that are currently reporting on sustainability are the ones that historically most negatively contributed to the sustainability-related challenges we are facing today. Irrespective of their sizes, geographic locations, the industries and their visibility may serve as stronger determinants. Corporations that operate in industries with significant sustainability concerns and corporations that have recently undergone a negative incident are all more likely to disclose information on their performance on sustainability matters (Hess, 2014; Jones & Mucha, 2014).

Deloitte (2016) built on the concept by adding "You can't manage what you don't measure. They [sustainability reports] can also build trust and credibility with a growing number of stakeholders that demand greater insights into how a company manages risks and opportunities related to ESG topics" (p. 2). Recent high-profile incidents involving automotive, big-box retail, and energy and resources companies highlighted the growing attention to how listed companies are disclosing their sustainability information to stakeholders, especially investors. As a result, we have seen more and more listed corporations releasing their stand-alone reports. For a long time, these reports only focused on corporate social responsibility issues around better conditions of employment, workplace culture, and community reinvestment. Since the launch of UN SDGs 2030 Agenda, GRI and UNGC have suggested "a guideline for facilitating firms to measure their sustainability performance and introduce these goals into corporate sustainability reports" (Tsalis et al., 2020, p. 1618). Dumay et al. (2010) noted that "GRI addresses aspects of SR in order to identify gaps between the guidelines and practice, and particularly engages with public policy debates concerning the 'usefulness' of the GRI guidelines for the purpose of developing sustainability from an ecosystems approach" (p. 532). While the framework is designed to demonstrate both an organization's "positive and negative" impact, unsurprisingly, existing reports are almost exclusively offering positive information—symbolic and ceremonial actions as opposed to true commitments to transparency. The recent reports indicated that the majority of reporting concentrated on environment-related green topics (G & A, 2020).

Moreover, organizations have enjoyed total liberty at choosing from a substantive variety of frameworks, which often leads to the questionable motive of the reporter and the lack of credibility of the report itself. It is often viewed as a mere afterthought or response toward the pressure from stakeholders and an attempt to gain a competitive advantage, as opposed to a demonstration of organizational accountability and transparency.

Buallay's study in 2020 suggested that mandatory SR may have a negative impact on firms with already superior ESG disclosure, as they may have to "exert greater efforts and possibly incur higher costs to distinguish themselves from other firms in the period following regulation" (p. 112), however, not only does law have no negative effect on a firm's overall performance, but it also boosts the operational efficacy. With the efforts of laws and regulations around SR ramping up, a little competition in who is doing a better job at reporting may just be the catalyst for a more robust effort. Trevlopoulos et al. illuminated in the findings that while there is no significant relationship between a firm's economic performance and SR mandates (2021a), there is a positive correlation between legislation and corporate SR compliance, performance, and innovation (2021b). This suggestion should theoretically boost the confidence of organizations that are still on the fence about SR law, as it does not "hurt" the business. In addition, the role of law can be viewed as a mediator as opposed to an enforcer.

Meanwhile, investors have been demanding more transparency, as the interest in sustainability investing continues to grow. About 50% of SEC-registered companies only provide generic or boilerplate sustainability information in their regulatory filings, which has then sparked a complaint among the investors about "a lack of comparable and verifiable information", and better SR can "benefit capital markets through greater liquidity, lower cost of capital, and better capital allocation," wrote Christensen et al. (2021, p. 1229). Organizations tend to expand and adjust their SR activities and increase the level of disclosure in order to positively respond to mandatory SR, which may also dissuade business activities that are viewed negatively by stakeholders or pertain to highly sensitive sustainability issues.

Many argued that mandates would create red tape, additional costs, and administrative burdens. Business lobby groups seek to kill these mandates, or if that is not possible, weaken them as much as they can—even in the EU—the most socially balanced and sustainable capitalist models in the world (Kinderman, 2017). However, it is gradually becoming the "law of the land". Leading EU countries such as France, Italy, Germany, and the United Kingdom have implemented mandatory SR, albeit on different levels (Al-Shaer, 2020; Delbard, 2008; Mion & Loza Adaui, 2019), as each country faces a unique political landscape and business governance. While the different member states are allowed some discretion with regard to the definition of the companies subject to the rules, the audit/attest requirements, and the related penalties, each country must follow the general guidelines laid out in the Directive 2014/95/EU (Weber et al., 2018). Such legal intervention should be regarded as a measure of last resort because SR will be most satisfactory and effective when it is done voluntarily by businesses out of the awareness that complete and trustworthy nonfinancial disclosure is a strategic necessity (Fifka & Drabble, 2012), however, legal regulations and mandatory enforcement may also be crucial to holding reporting companies accountable, as voluntary measures often turn out to be ineffective when there is too much wiggle room for cherry-picking the metrics and withholding information.

Even though the laws have not succeeded in a "name and shame" mode of operation, except in corporate governance where "comply or explain" requirements have generated strong pressures (Mares, 2018), it is a first step, and a crucial step toward a more accountable, transparent, and sustainable organization structure. SR makes sustainable development practices more tangible, accessible, and measurable, and through that, best decisions and course of action can more easily be made for continuous improvement (Rosca & Bac, 2019). "It should be possible to require that the information included in the nonfinancial statement or in the separate report be verified by an independent assurance services provider" (Weber et al., 2018).

Mandates Impede Progress? Less is More?

There is a dissenting opinion on legislative mandates and regulations on SR that the varied corporate SR landscape constitutes a key obstacle to fostering sustainable corporate behavior, insofar as the flexible approach followed in the context of corporate sustainability reporting offers little to no real incentive to companies to behave more sustainably, argued Tsagas & Villiers (2018), who also called for the “Less is More” approach and a revision of key aspects of the EU Non-Financial Reporting Directive 2014/95/EU.

The lack of comparability of reports due to the intrinsic differences between industries and how each is operating sustainably or not inhibited the effective legislation from easily outlining the individual risks to SR through tailored adoption approaches in an all-encompassing manner (Christensen et al., 2021; Mion & Loza Adaui, 2019; Tsagas & Villiers, 2018). However, without mandates and regulations, how to ensure the level of transparency stakeholders expect from corporations remains a challenge.

Mandatory SR should not be merely perceived as additional administrative duties but an opportunity to communicate a company’s paths toward sustainability, guaranteeing transparency, and greater stakeholders’ engagement. Aureli et al. (2020) pointed out in a case study that “legal enforcement linked to the legislation was integrated by professional norms”, which also highlighted the pivotal role auditing plays in setting up the direction of change—from pressures linked to the legitimacy, social and cultural conditions to reasons of efficiency and economic conditions. Continuous auditing should take place, especially in the modern world of big data, 100% of data versus a sample of data twice a year should be analyzed and audited to enhance the credibility of a sustainability report (Cardoni et al., 2020; Hossain, 2018).

The debates have shifted away from whether or not, but “how” to mandate SR (Hess, 2014). Government mandates and independent auditing must join the game to make it fairer. So far, there has been very little legislation or regulation on sustainability reporting in the US. Transparency requirements are not the same as coercive laws that mandate changes in corporate practice, impose liability for harm, or provide rights of formal legal redress to victims of corporate malfeasance (Kinderman, 2020). Nevertheless, by demanding more complete and high-quality reporting, a government mandate can influence internal decision-making and help external stakeholders, such as investors and not-for-profit organizations (Eccles & Serafeim, 2015). Policy makers should carefully design more flexible environmental regulations by imposing incentives for promoting innovation and intellectual capital, which may drive the proactive corporate compliance and in turn, benefit both the firm and the environment (Trevlopoulos et al., 2021b).

Method

80% of companies worldwide now report on sustainability, and among the world's 250 largest companies, among which 75% the reporting companies used GRI as the standard framework, and the underlying trend for third-party assurance of sustainability data is 71% (KPMG, 2020). This paper adopted content analysis as the main research method with quantitative data being the dominant. I also conducted semi-structured interviews to provide qualitative content—opinions and insights of field practitioners—in support of the key findings.

Sample Selection

In this paper, a sustainability report is defined as a stand-alone report, not integrated into an annual report or corporate financial report. Given that the private sector is currently leading the SR effort and higher education should serve as a major force for training sustainability professionals, I based my codebook on the 17 UN SDGs and examined a series of Fortune 500 companies and HEIs to determine themes, trends, completeness, and robustness. Sustainability reports are publicly available documents on their respective websites whether a report is presented as a web view, in pdf format.

The sample of this paper was drawn from the top 50 companies of Fortune 500 List 2021 by revenue and top 50 global universities ranked by US News and World Report 2022 ($N = 100$). I did a keyword search with "Sustainability Report 2020" and the name of each company or academic institution. Some entities released their reports under the names of corporate sustainability report, ESG report, corporate citizenship report, or corporate and social responsibility report, etc.

Data Collection

In the pool of samples, all top 50 Fortune 500 companies reported on sustainability to various extents. I was the sole data collector for this research. A sample was considered viable as long as it is a stand-alone report, separate from corporate financial or annual reports. However, for the purpose of this research, I selected "No report" and excluded the sample:

- if a stand-alone report was not available, as stand-alone reports represent a good indicator of the seriousness a company places on SR, and nonfinancial disclosure requires vastly different accounting and reporting standards from financial reports.
- if there is no 2020 report, because I wanted to determine the sample pool's rigor for SR during the toughest period of time in the Covid-19 pandemic.

At the time of drafting this research paper, 2021 is not over. Many companies do not release reports until sufficient data has been gathered for a full year, and the release coincides with the end of a fiscal year. 2020 is a unique year due to the Covid-19 pandemic and its disruption to various industries across the sectors, which put this pool of sample in a unique position to offer an overview of how the corporate sector and higher education approached SR and to shed a light on the current reporting trends even when we were in the middle of combating this crisis. These high-profile organizations draw a fair amount of public attention and exert significant influence in the SR activities and efforts in their respective sectors.

I reviewed each stand-alone sustainability report to determine whether each SDG was included. I focused on the richness of information published based on the Overall Tone, Location of the SDG in the report, and any existence of Data Visualization, such as tables and charts. I intended for them to serve as potential indicators of the importance of each SDG to a particular company or university. For example, if an SDG was mentioned early in the report, it could be interpreted as evidence that it is more important. Different organizations and various industries all have their priorities. If an SDG appeared multiple times throughout the report, the first time it was mentioned counted as its Location in the report. The readability of a report is crucial. This codebook (see Table 1) was constructed in Qualtrics. The dataset was then analyzed in Jamovi.

Table 1: Codebook for Content Analysis

Codebook for Sustainability Report Content Analysis	
General	
Name	[Insert]
1. Check the correct category.	Fortune 500 / US News & World Report
2. Country of Origin	[Insert]
3. Sample SR Year	2020
4. In what format is the Sustainability Report?	PDF; Webpage; Both; No Report
5. [If PDF or Both selected], Length of report	≥ 30 p; < 30 p
6. SR framework (Multiple choices allowed)	GRI; SASB; Other*; No framework**
7. Are lead authors mentioned?	Yes / No
8. CEO / Executive Letter (CSO/CEO/VP, etc)?	Yes / No
9. Are official logos of UN SDGs used?	Yes / No

UN SDGs (Is the goal covered?)	
1. No Poverty	Yes / No / Undetermined***
2. Zero Hunger	Yes / No / Undetermined
3. Good Health and Wellbeing	Yes / No / Undetermined
4. Quality Education	Yes / No / Undetermined
5. Gender Equality	Yes / No / Undetermined
6. Clean Water and Sanitation	Yes / No / Undetermined
7. Affordable and Clean Energy	Yes / No / Undetermined
8. Decent Work and Economic Growth	Yes / No / Undetermined
9. Industry, Innovation, and Infrastructure	Yes / No / Undetermined
10. Reduced Inequalities	Yes / No / Undetermined
11. Sustainable Cities and Communities	Yes / No / Undetermined
12. Responsible Consumption and Production	Yes / No / Undetermined
13. Climate Action	Yes / No / Undetermined
14. Life Below Water	Yes / No / Undetermined
15. Life on Land	Yes / No / Undetermined
16. Peace, Justice, and Strong Institutions	Yes / No / Undetermined
17. Partnerships for the Goals	Yes / No / Undetermined
If yes to an SDG, the following questions apply:	
a. Overall tone	Positive; Neutral; Negative
b. Where is this SDG located in the report?	Early; Middle; Late
c. What type of data visualization? Check one.	Tables; Charts; Both; None

Note. Due to the limitations of a table, the display logic in Qualtrics cannot be entirely shown.

*Any framework or guidelines including UN SDGs and UNGC, etc. other than GRI and SASB.

**If it was not clearly stated in the report or undeterminable, it is treated as “no framework”.

***Selected if there is content that barely brushes on the topic, but no data.

Interviews

I conducted four interviews via semi-structured Zoom conversations to provide additional information to my thought process during this research:

- Jacqueline Bouvier Copeland is a seasoned ESG leader, executive, and advisor with over

25 years of experience, who founded the Women Invested to Save Earth Fund (The WISE Fund) and Black Philanthropy Month. Dr. Copeland holds a PhD and two Masters in anthropology and urban design from University of Pennsylvania, and a BA in Social Science and Diplomacy from Georgetown University. *November 4, 2021*.

- William Riggs is an Associate Professor and program director of Master of Public Administration at University of San Francisco. Dr. Riggs has a deep focus on mobility and sustainable transport. He holds a PhD in urban and regional planning from University of California, Berkeley, a master's in the same field from University of Louisville, and a bachelor's in history from Ball State University. *October 29, 2021*.
- Johnathan Cromwell is an Assistant Professor at the University of San Francisco. Dr. Cromwell's research is focused on creative problem solving in organizations, particularly how individuals and groups tackle vague, open-ended, and ambiguous problems. He holds a DBA from Harvard Business School and a bachelor's in chemical-biological engineering from Massachusetts Institute of Technology. *August 13, 2021*.
- Richard Hsu is the sustainability coordinator at the University of San Francisco. Mr. Hsu is responsible for the sustainability efforts of reducing the energy consumption around campus and building partnerships with community organizations. He earned a master's in environmental management from University of San Francisco and a bachelor's in environmental systems from University of California, San Diego. *November 11, 2021*.

Results

Out of a total of 100 samples, 65 satisfied the criteria. 67.7% were Fortune 500 companies (n = 44) and 32.3% HEIs (n = 21). All samples on the list of Fortune 500 were US-based companies due to the nature of the list itself. HEI samples on US News and World Report came from the following countries: Australia (n = 4), Canada (n = 1), China (n = 1), Netherlands (n = 1), Singapore (n = 1), Switzerland (n = 1), United Kingdom (n = 3), and United States (n = 9).

Overall Descriptive

- ***Format.*** 77% of the reports were made available in both *pdf* and web page formats (n = 50). 18% offered the official reports in PDF (n = 12) and the remaining 5% only can be read on the website (n = 3) as blog stories.
- ***Length.*** For reports released in PDF, the length indicated that most companies and HEIs (84%, n = 52) published formal reports over 30 pages, and only a small group of reports (16%, n = 10) were under 30 pages.
- ***Lead Authors.*** 26% of the reports mentioned lead authors. HEIs are more likely to credit lead authors who spearheaded the reporting effort and compiled the information. These authors usually belong to the sustainability offices at the HEIs. This could further support that SR is chiefly being carried out by a small team of writers who may or may not be able to involve key stakeholders, and SR effort is yet to be institutionalized for it to be taken seriously by the top leadership.
- ***CEO Letter.*** This is reversed from *Lead Authors*. Fortune companies are far more likely to include a foreword or summary at the beginning of a report signed by the CEO / Chair / VP who is in charge of the SR effort within a company. 100% of the reports analyzed in this research included a CEO letter, whereas only 11 HEIs out of the 21 that released reports did.
- ***Official Logos of UN SDGs.*** 40 reports (62%) included the official logos of UN SDGs.

Table 2: χ^2 Results for General Questions 4, 5, 7, 8, & 9 (n = 65)

Results	*Format*	*Length*	*Lead Authors*	*CEO Letter*	*SDG Logos*
χ^2	21	9.7	11	24.8	0.253
df	2	1	1	1	1
p	< .001*	0.002*	< .001*	< .001*	0.615

*Hypothesis rejected at $p < .05$.

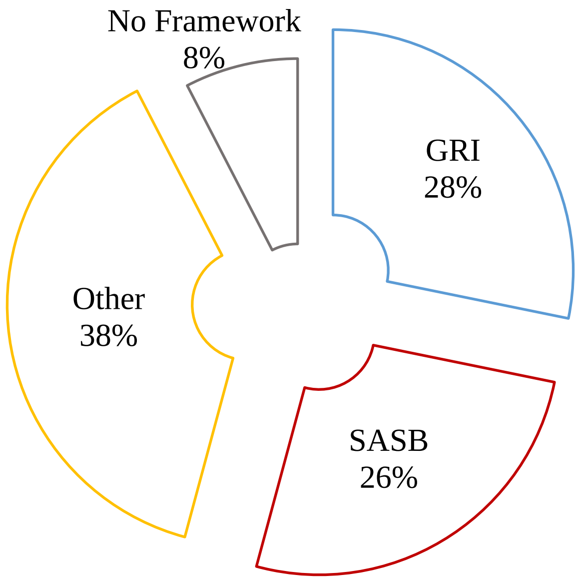
I explored how the Fortune 500 companies and HEIs performed in *Format*, *Length*, and whether *Lead Authors*, a *CEO Letter*, and *Official Logos of UN SDGs* were used in the reports. Refer to the Codebook (p. 16) for additional details. To determine if there is a significant difference between the two categories—Fortune 500 companies and HEIs, I administered a series of χ^2 tests. A number of Fortune 500 companies and HEIs used official logos of the UN SDGs in the reports. No significance was found ($p = 0.615$). Notwithstanding, the results (see Table 2) exhibited a statistical difference in *Format* ($p < .001$), *Length* ($p = 0.002$), *Lead Authors* ($p < .001$), and *CEO Letter* ($p < .001$). Fortune 500 companies are much more likely to include a letter signed by the CEO or member of top leadership at the beginning of the report. HEIs, on the other hand, tend to credit the lead authors who usually belong to the office of sustainability at each school. This result correlates with the findings that SR is still yet to be institutionalized in HEIs (Blanco-Portela et al., 2017) for it to be given more seriousness. Based on his experience, R. Hsu (personal communication, November 11, 2021) said, "Sustainability Reporting needs to be institutionalized at universities. A small [sustainability] office is not equipped with the capacity or given adequate resources to engage in high-level reporting or follow comprehensive frameworks without the support from top leadership."

How Fortune 500 Companies and HEIs Follow SR Framework

This question was allowed to have multiple choices. Figure 1 shows the percentages of SR frameworks used in the reports. Many reports following GRI and/or SASB also overlaid with *Other* whose larger percentage does not reflect the popularity of frameworks other than GRI and SASB.

The results suggested that more than half (57%, $n = 37$) reports released data based on a combination of guidelines from more than one framework. GRI ($n = 37$) remains the most popular framework, followed by SASB ($n = 34$) and others such as UNGC, TCFD, CDP, and IPIECA—commonly seen with oil and gas companies (2020). No obvious standard framework could be detected in only 8% of the reports. It is important to note that Fortune 500 companies are far more likely to adopt GRI than HEIs. 70% of the top 50 Fortune 500 companies adopted GRI, whereas only 4% ($n = 2$) of top 50 global HEIs—ETH Zurich in Switzerland and Utrecht University in the Netherlands strictly followed GRI standards. This could be because HEIs, especially universities in the US tend to favor networks created specifically for them in the field of education.

Figure 1: Sustainability Reporting Frameworks Adopted by Reports



Note. *Other* includes CDP, IPIECA, STARS, TCFD, UNGC, etc.

How Fortune 500 Companies and HEIs Incorporate and Present UN SDGs

To determine how Fortune 500 companies and HEIs referenced UN SDGs in their reports, I collected the counts and percentages respectively for each goal. Table 3 displays the counts, and Figure 2 displays the percentages of the answers (*Yes*, *No*, and *Undetermined*).

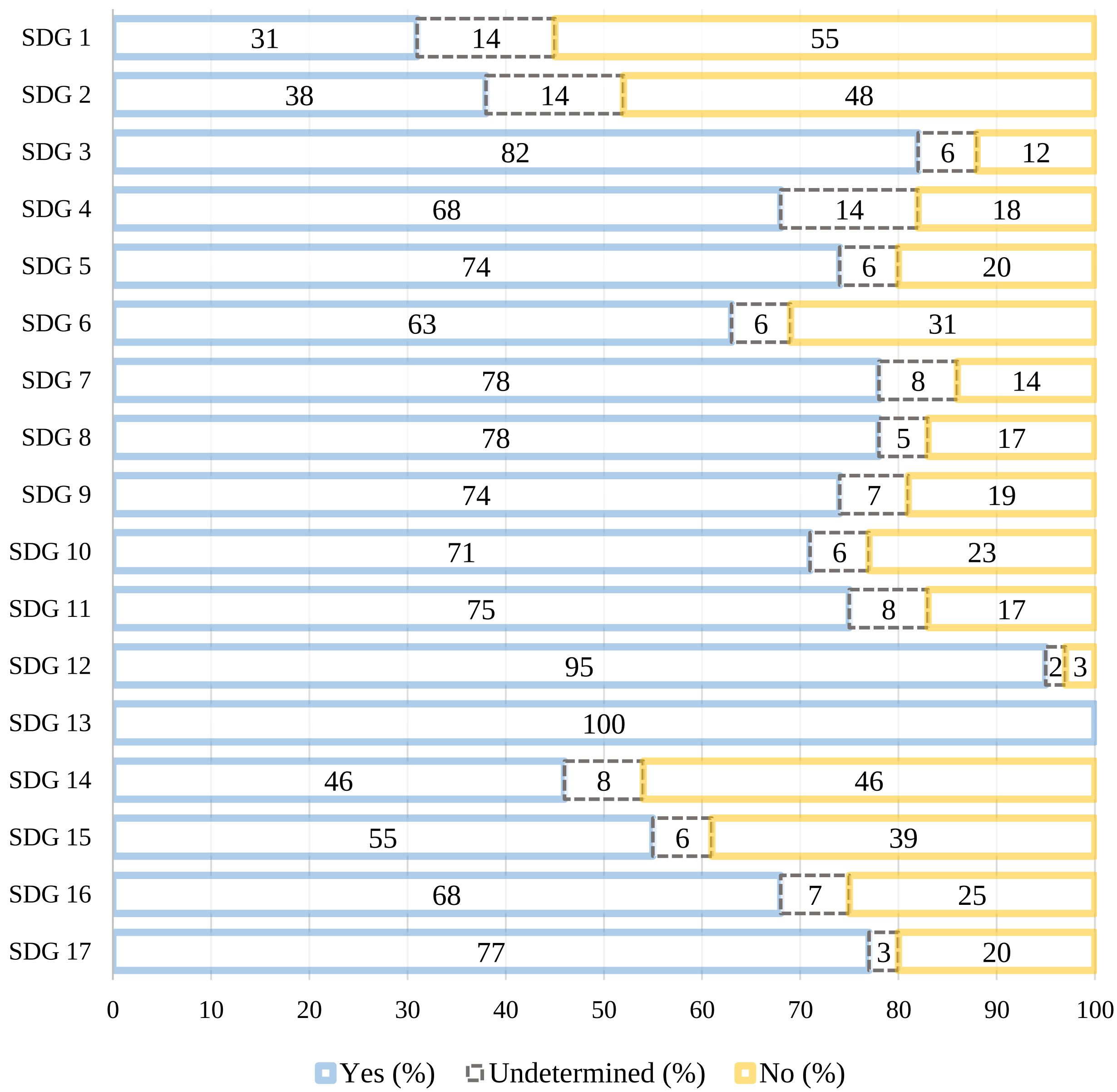
Table 3: Counts of UN SDGs in Sustainability Reports (*n* = 65)

SDG 1–17	Overall			Fortune 500			HEIs		
	Y	N	Un	Y	N	Un	Y	N	Un
1. No Poverty	20	36	9	13	24	7	7	12	2
2. Zero Hunger	25	31	9	13	22	9	12	9	N/A
3. Health & Well-being	53	8	4	38	4	2	15	4	2
4. Quality Education	44	12	9	28	9	7	16	3	2
5. Gender Equality	48	13	4	41	2	1	7	11	3
6. Clean Water	41	20	4	25	15	4	16	5	N/A
7. Clean Energy	51	9	5	32	8	4	19	1	1
8. Work & Growth	51	11	3	42	2	N/A	9	9	3
9. Infrastructure	48	12	5	28	11	5	20	1	N/A
10. Reduced Inequalities	46	15	4	39	4	1	7	11	3

11. Sustainable Cities	49	11	5	30	10	4	19	1	1
12. Consumption	62	2	1	41	2	1	21	N/A	N/A
13. Climate Action	65	N/A	N/A	44	N/A	N/A	21	N/A	N/A
14. Life Below Water	30	30	5	15	24	5	15	6	N/A
15. Life on Land	36	25	4	21	20	3	15	5	1
16. Strong Institutions	44	16	4	28	15	1	16	1	4
17. Partnerships	50	13	2	30	12	2	20	1	N/A

Note. Y—Yes; Un—Undetermined; N—No. See Appendix B for full names and logos of SDGs.

Figure 2: Percentages of How UN SDGs were Referenced



The counts in Table 3 showed that the UN SDG 13 *Climate Action* is the most popular topic and was mentioned in every report, followed by SDG 12 *Responsible Consumption and Production* and SDG 3 *Good Health and Well-being*. The count showed a higher number in each SDG referenced in the reports by Fortune 500 companies due to their higher rate of SR activities.

Table 4: χ^2 Results for Frequencies of UN SDGs Included (n = 65)

UN SDGs	χ^2	*df*	*p*
1. No Poverty	0.502	2	0.778
2. Zero Hunger	7.26	2	0.026*
3. Health & Well-being	2.11	2	0.349
4. Quality Education	1.04	2	0.594
5. Gender Equality	26.5	2	< .001*
6. Clean Water	3.24	2	0.198
7. Clean Energy	2.77	2	0.251
8. Work & Growth	23.6	2	< .001*
9. Infrastructure	7.46	2	0.024*
10. Reduced Inequalities	21.0	2	< .001*
11. Sustainable Cities	3.99	2	0.136
12. Consumption	1.50	2	0.472
13. Climate Action	N/A	N/A	N/A
14. Life Below Water	8.76	2	0.013*
15. Life on Land	3.27	2	0.195
16. Strong Institutions	10.5	2	0.005*
17. Partnerships	5.91	2	0.052

Note. SDG 13 *Climate Action* was included 100% in every report, hence, no χ^2 value available.
*$p < .05$.

As shown in Table 4, the manner in which several UN SDGs were reported between Fortune 500 companies and HEIs exhibited statistical significance, including SDG 5 *Gender Equality*, SDG 8 *Decent Work and Economic Growth*, and SDG 10 *Reduced Inequalities*, which suggested an extremely prominent significance ($p < .001$) in between the two industries. In addition, SDG 16 *Peace, Justice, and Strong Institutions* (p = 0.005) and SDG 9 *Industry, Innovation, and Infrastructure* (p = 0.024) also indicated strong statistical differences.

Table 5: How UN SDGs were Presented (Overall Percentages %)

SDG 1–17	Tone			Location			DV			
	+	N	–	E	Mid	L	T	Ch	Bo	No
1. No Poverty	100	N/A	N/A	60	25	15	50	5	20	25
2. Zero Hunger	100	N/A	N/A	60	28	12	40	4	16	40
3. Health & Well-being	100	N/A	N/A	58	36	6	38	11	28	23
4. Quality Education	96	2	2	41	39	20	50	5	18	27
5. Gender Equality	98	2	N/A	33	48	19	33	8	46	13
6. Clean Water	93	7	N/A	32	36	32	34	7	34	25
7. Clean Energy	98	2	N/A	49	31	20	29	12	45	14
8. Work & Growth	98	2	N/A	25	57	18	47	6	27	20
9. Infrastructure	98	2	N/A	42	31	27	31	13	37	19
10. Reduced Inequalities	100	N/A	N/A	31	54	15	33	9	41	17
11. Sustainable Cities	98	2	N/A	33	33	34	27	16	39	18
12. Consumption	98	2	N/A	27	36	37	26	18	40	16
13. Climate Action	99	1	N/A	43	18	39	26	11	51	12
14. Life Below Water	93	7	N/A	33	30	37	33	17	20	30
15. Life on Land	94	6	N/A	31	30	39	39	5	17	39
16. Strong Institutions	98	2	N/A	39	9	52	30	4	34	32
17. Partnerships	96	4	N/A	46	8	46	36	8	22	34

Note. + (*Positive*); N (*Neutral*); – (*Negative*); E (Early); Mid (Middle); L (Late); T (Table); Ch (Chart); Bo (Both); No (None).

How different companies and HEIs presented UN SDGs can indicate how different organizations perceive each goal and the importance they place on them in their decision making and overall strategic planning for sustainability activities. Based on the percentages (see Table 5) of the Overall Tone, SDG 1 *No Poverty*, SDG 2 *Zero Hunger*, SDG 3 *Good Health and Well-being*, and SDG 10 *Reduced Inequalities* were reported *Positive* 100%. Every other SDG was also reported mainly in a "positive" way with a rate above 90%. However, it is critical to note the *Neutral* under SDG 13 Climate Action, which did not receive an all-star treatment. University of Edinburgh is the only sample that reported *Neutral* on its efforts in *Climate Action*. SDG 4 *Quality Education* also received a Negative (–) answer from University of New South Wales.

The UN SDGs are the foundation of SR frameworks. The more goals on which a report can present data could indicate a bigger scope of reporting and thus the enhanced accountability and transparency of business activities as opposed to cherry-picking the goals to include only when there is a good story to tell. SR should show the organizational progress—"positive and negative" (GRI, 2021), instead of being treated as yet another report to boost the public image.

The findings suggested no statistical differences in following standard SR frameworks among Fortune 500 companies and HEIs that released sustainability reports in 2020. Overwhelmingly, both companies and universities referenced UN SDGs in a positive manner by including stories and descriptions of their sustainability activities. Conversely, companies and universities do not design their reports in the same way. Given that they belong to different industries, it is easy to understand that they must have divergent priorities. Hence, I rejected $H1_0$, but accepted $H2_0$ and $H3_0$.

Implications and Recommendations

Even though I only concentrated on the samples' SR performance in 2020, the paper contributes to the literature of SR in several ways.

Firstly, my research aims to examine SR and its impact on organizational accountability and transparency. Many publications have examined the readily available sustainability reports published by private corporations, NGOs, and nonprofit organizations by pulling information from the GRI Database. However, given the voluntary nature of SR in the US, many organizations are yet to comply with GRI standards to a satisfactory extent to have their reports included in the GRI Database. This research included official sustainability reports that cannot be found in such databases. Many of these reports are long filled with blog-style stories but severely lack verifiable data metrics, which corroborates with many previous studies. "Boilerplate language and greenwashing are important concerns, highlighting the difficulty of forcing firms to provide meaningful CSR information" (Christensen et al., 2021).

Secondly, this research looked at the SR performance of HEIs. Higher Education can and should play a pivotal role in creating and training future scholars and professionals alike in sustainability leadership. How to leverage the unique position of HEIs in this role may directly impact the rigor of SR activities. Thirdly, this research also explored the content of sustainability reports against the UN SDGs to determine how they were presented because the ultimate goal of sustainability activities including reporting must advance these goals, or the SR effort will prove futile and further be considered as PR stunts or spin.

Lastly, by only examining stand-alone reports, it helps emphasize the importance of separating nonfinancial disclosures from the traditional corporate financial or annual reports. This detachment will help stakeholders such as scholars, investors, and consumers better interpret the data and content unbiased from the disturbance of profitability or a company's financial health.

I gleaned several key notions for effective and robust SR from my findings. The bottom line is to start reporting, and sustainability reports must follow a standard framework for it to be useful. Every organization should consider the following to increase the quality of the report:

1. Conciseness vs. Completeness

Should a report be concise or complete? There is some advantage for smaller organizations to concentrate on reporting what is most relevant to the services they are offering, as opposed to compiling data into thick reports nobody reads (Niemann & Hoppe, 2017). Standardizing SR by adopting a reporting framework and showing metrics that can be easily interpreted by the average public and sustainability professionals alike proves a good deal more effective than feel-good stories with no quantifiable information in facilitating communication with various stakeholders, initiating organizational change, and increasing accountability and transparency. The point of following a standard framework is not to cover every indicator listed because it is literally impractical but to measure results so that they can be understood.

It is important to always keep in mind that GRI constantly evolves to address the latest issues and reporting trends. The updated "Linking the SDGs and the GRI Standards" covers the 17 SDGs and maps them against the Standards and disclosures that apply for each, which makes it easier for organizations to use their reporting through the GRI Standards to assess how they impact the SDGs (GRI, 2020). This is perhaps the silver lining some non-reporters need. Calabrese et al. (2021) created a new "framework that offers the companies' managers the possibility to detect those SDG indicators, and consequently the related GRI indicators, which should be the object of their attention" (p. 2).

What matters to the stakeholders is not always the amount of information being released, but how it is released. Completeness does not mean that a report must include all indicators in a framework but to provide a more balanced narrative. "Balance means reporting the accomplishments along with the challenges" (Herremans, 2019, p. 98), which is easier said than done. Humans do not like to admit their own failures, especially in the face of accountability and transparency. However, to unleash the true power of SR, companies need to show the full picture to public stakeholders.

2. Comparability and Credibility

Herremans (2019) noted that "when society feels that companies should act in a certain manner and they make promises through their policies to do so, but they are not upheld through their performance, it creates distrust" (p. 93). Companies can avoid that by following a standard framework which makes a report comparable and more easily interpreted, and to the advantage of the report itself and minimize public doubt about data included in a report without any explanation on how it is gather and calculated, which then denigrates the credibility of the report and an organization's SR effort.

Sustainability reporting boosts an organization's accountability and the public's awareness on multiple levels, however, the act of reporting itself is "not a proxy for progress", noted Pucker (2021), and while financial reporting follows agreed-upon standards, and compliance is ensured by a referee (in the United States, the Securities and Exchange Commission [SEC]), most companies have complete discretion over what standard-setting body to follow and what information to include in their sustainability reports. Many large private corporations have certainly benefited from disclosing information on sustainability metrics by following the GRI Standards, while some reporting efforts are merely for show—greenwashing. Since there is no policy to regulate the measurement or auditing requirements in the United States, reporters can cherry-pick which metrics to include and which to ignore or omit, which leaves room for insufficient reporting, misleading, opaque, and confusing information, and undermined quality of data.

3. Environmental vs. Everything Else

Environment is only one part of sustainability. The results of my findings found that all companies tend to talk about measures, programs, and initiatives they have created to combat climate change and the environment. 100% of the samples examined touched upon SDG 13 Climate Action. Nevertheless, too much focus on that may diminish the credibility of a report, especially when there is no sufficient data prepared in accordance with a standard SR framework. To strike a more balanced tone with a report, it is crucial to shift part of the focus onto the social impact and internal governance, as they are more relevant to the health and happiness of people.

Limitations

As with any research, big or small, limitations are inevitable. The sample ($N = 100$) of sustainability reports in this research do not represent the respective sectors—corporate and higher education—entirely. Its size cannot produce sufficient evidence for generalization. Given that the purpose of this research is to examine and elucidate the potential SR behaviors and trends exhibited by top 50 Fortune 500 companies by revenue and global HEIs at the height of Covid-19 pandemic, that is, Year 2020 exclusively rather than provide any definitive answers or exhaustive data for longitudinal or comparative analyses, I chose not to look into older sustainability reports published in previous years, thus this report and my research do not capture any particular Fortune company or HEI's customary style of handling SR institutionally.

The initial research design was to explore the sustainability reports by global companies.

Unfortunately, I was not aware that Fortune 500 only lists US companies due to an oversight and misunderstanding of the Fortune ranking until the data set had been created. Given the time constraints for this master's thesis, my research design, and the sample size, I was not able to repeat the entire process. Fortune Global 500 would have been used for this comparison instead for a potentially more robust comparison.

However, it is also worth putting the focus on the US companies alone because they share the same current circumstances where no clear law or mandates have been placed on SR practices. The comparison among these companies helps shed light on the reporting trends in the US, although the data analysis provided only a partial answer. While I performed the collection and interpretation of the data set to the best of my knowledge, it does not preclude the possibility that certain answers may be affected by the limits of my understanding of the topic and subjective choices.

The length of a report turned out to be no strong indicator of the richness of content or the comprehensiveness. A report can easily be filled with feel-good stories, pictures, and other types of embellishments that do not demonstrate any meaningful data tracking, gathering, or measurement to appear long and wordy. The inclusion of the official logos of UN SDGs adds authority, legitimacy, and trustworthiness to a sustainability report. Nonetheless, my results suggested that this factor does not predict the level of SR for an organization, nor does it indicate whether a standard SR framework is adopted.

Furthermore, some HEIs such as the Catholic University of Leuven in Belgium follow GRI standards in an exemplary manner but did not release any report in 2020 owing to massive layoffs, campus closures, and budget cuts. Other HEIs in non-English speaking countries in my pool of samples may not release sustainability reports in English, so the keyword search could be less effective than originally intended.

Recommendations

The future research can conduct empirical research on metrics different industries choose to use and the reasons why—a high level of awareness of the development challenges the society is facing or reporting on sustainability as feel-good materials for marketing and public relations? Al-Shaer & Zaman (2019) implicated that "policymakers could consider issuing guidelines for compensation committees to develop compensation policies with assured sustainable targets" (p. 249) to offer more incentives. For instance, Audrey Choi is the Chief Marketing Officer and the

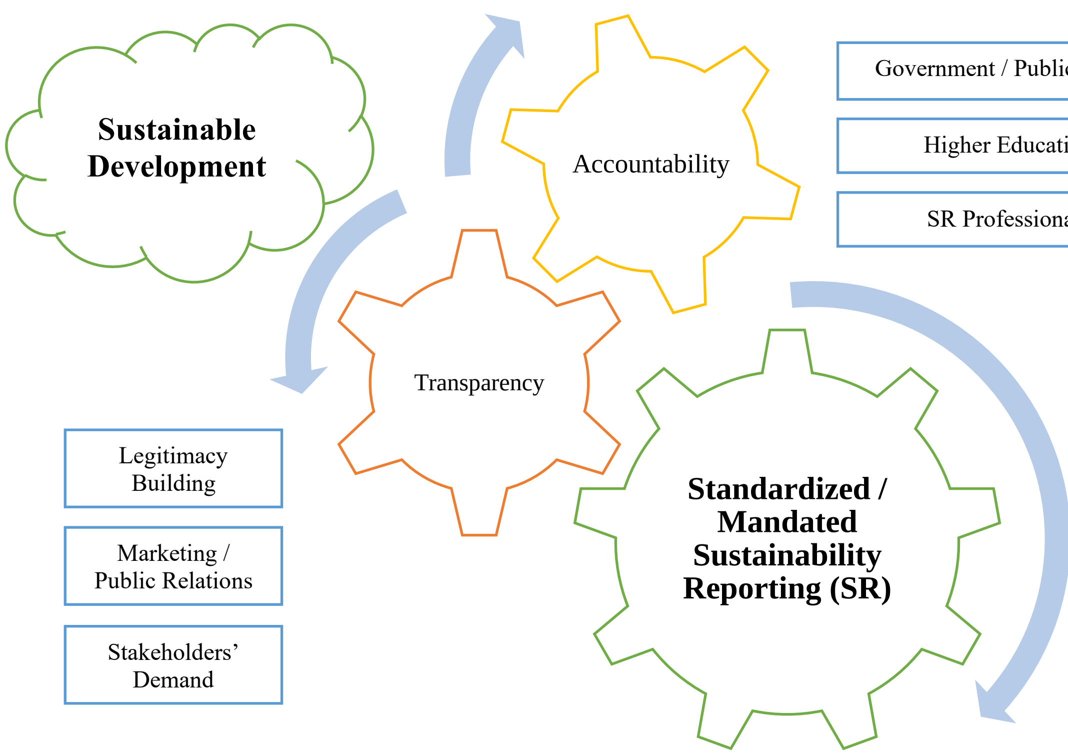
Chief Sustainability Officer at Morgan Stanley. There is nothing fundamentally wrong for combining the two roles, however, it is worth further determining what is the driving force of the sustainability reporting effort or sustainability effort overall at a firm—good publicity and prospects for investments or corporate accountability for sustainable development. It warrants further research on how CEOs and sustainability leaders emphasize on SR if a portion of their compensation is tied to the sustainability performance of the organization.

The future research can also study the Fortune Global 500, as SR is only voluntary in the US. What factors may transition Sustainability Reporting to become a standard requirement for businesses on the policy level, so as to better ensure accountability, credibility, and transparency. There can be no comparability without standards or telling who is leading the way and doing a better job at generating a wider social impact with their sustainability-centered business practices. It can be worthwhile further comparing the rigor and comprehensiveness of reports released by US companies and global corporations in other countries. Case studies can also be done by observing the hypothetical change in reporting rigor and business performance of companies which are currently reporting without following standard frameworks before and after the adoption of such a framework as GRI. Same can be done for companies which have no SR activities and how following a framework such as GRI can change the aforementioned variants.

Conclusions

SR standards were created to be used to talk about the positive and "negative" effects (GRI, 2021) business activities have on our environment and human society. However, the practice of SR in the US has assumed a role of appeasing investors' demand for more sustainability-related stories without actually showing what is being accomplished, and potential negative effects are largely being omitted. Thus, to many, SR still appears as nothing but a slogan that says, "Feel confident in investing in us and our firm, because we release sustainability reports". What has currently been included in these quasi-sustainability reports is far from "reporting" which usually requires an incredible amount of accounting and auditing rather than a heavy focus on storytelling from a marketing perspective. Figure 3 shows the interlocking relations of SR with accountability and transparency, as well as its influencers and influences.

Figure 3: Interlocking Relations of SR with Accountability and Transparency



Sustainability Reporting is Much More Than Measuring the End Product

The needs of our communities and missions of social sectors conceived the ultimate benchmark for ESG on which Sustainability Reporting has been based and augmented. W. Riggs (personal communication, October 29, 2021) commented that "There is a societal pressure that we want to do well by doing good, not just do well and do good. But these [sustainability reporting] frameworks are problematic because they are inflexible."

I, on the other hand, would argue that standards are not meant to be "flexible", or they would not be called standards. Standards may not be perfect, nor do they claim to be. They will continue to evolve with the latest shifts in various industries and multiple factors. Sustainability scholars and practitioners keep adding values to the existing knowledge and offering evidence-based feedback on the SR frameworks as education and corporations continue to enhance and refine nonfinancial disclosure processes. A higher level of standardized SR activities will also contribute to the study of how it affects organizational accountability and transparency by adding the field experience and feedback through the practice.

Similar to the beliefs of not-for-profit organizations, many innovative technology and new-energy companies, or simply companies with a social mission are touting the fact that because their products are environmentally friendly, such as batteries, solar panels, and hydrogen power, it is not necessary to measure their sustainability efforts. Nonetheless, "The end justifies the means" does not apply in sustainable development. The end product may be created to combat a social challenge or be beneficial to the environment and climate, however, if the supply chain, production processes, or energy consumption are not contributing to the advancement of sustainability, then who is to say that the end product is worth having in the first place? In that case, all these products do is alleviate one problem by creating another.

This is also where SR frameworks such as GRI come in. Not only does it provide guidelines for the reporting on the output and/or outcome but also materiality, supply chain management, waste management, corporate governance on treatments of the employees, and social impact on larger communities. SR is not here to challenge organizations' missions and good intentions but to measure them, so that what is done well can be interpreted with the same set of standards and a boost of effort can be given to where improvements are due. McConville & Cordery (2018) also found in their research that "the most regulated jurisdiction provided more reporting, a broader range of reporting, and more transparency-related information than jurisdictions where performance reporting is currently unregulated… and performance information will often not be provided voluntarily, so regulation may be required" (p. 312).

Without a unified SR framework and regulatory standards, it is natural that most companies can, are, and will be saying that they are generating significant positive impact on the climate, earth, and communities for their branded images without concrete evidence, and stakeholders will continue to have a hard time getting valuable information beyond the financial reports and their return on investments. To regard standardized SR as a potential enemy may be short-sighted because it can serve as a tell-tale sign of good governance, corporate accountability and transparency, which in the long run, will help companies garner more public trust. The best way to try to ensure fair play is by measuring and regulating the SR practice itself.

Sustainability Reporting Requires Proper Education

A collaboration with the marketing team can be helpful, as part of the purpose of a sustainability report is to provide stakeholders key nonfinancial information and facilitate communication, however, the crucial steps of tracking, analyzing, and reporting data should not be executed by marketing professionals, as most of them have a different set of priorities in their line of work and do not possess necessary knowledge or experience in SR. Even the slightest indication that a report may be solely prepared for the attempt to keep up with the appearances and public relations will damage the authenticity and credibility of the report, and in turn, the company's SR effort and reputation.

HEIs need to double down on sustainability education in regard to the theories and practices of sustainable leadership such as SR and SR frameworks. "National collaborations for sustainability across the sectors of higher education, K–12, faith organizations, communities, and business are sorely lacking, so there is a duplication of tools and efforts, a lack of sharing about lessons learned and a loss of synergies" (Rowe et al., 2015, p. 119). In Griswold's qualitative research (2018), "participants reported a range of roles for themselves in advancing a sustainable society, all of which involve education" (p. 128), and that "sustainability is part of their identity through its focus in their careers… or by taking actions to encourage others to act sustainably" (p. 131). Universities can play a pivotal role in promoting SR leadership while educating young professionals and helping them build the essential skills and mindset to incorporate SR into business administration. In 2010, University of Massachusetts Dartmouth became the first-ever university in the world to release a sustainability report prepared in accordance with the GRI G3 framework (Mehallow, 2011).

In the meantime, we should avoid overselling SR. It is "no magic bullet" (Parker, 2021) that would transform an organization's sustainability culture. Nilipour et al. (2020) observed that although SR has been steadily growing over the last two decades, the readability of sustainability reports have not seen much improvement, due to the lack of compliance with standard SR frameworks.

Final Word

In the end, it is not so much which framework that is utilized that makes a difference, but whether or not organizations act in a manner that has impact (Dumay et al., 2010), and the heat of SR and sustainability, in general, is not showing any signs of simmering down. Quinson's report (2021) revealed that "Governments, corporations and other groups raised a record $490 billion last year selling green, social and sustainability bonds". Moreover, Lenhard & Winterberg (2021) suggested that venture capital should join the ESG revolution and predicted that since the SEC has announced comprehensive ESG regulation to be launched as early as late 2021, we are expecting governments to step up more going forward." In addition, investors' demand for more accountability and transparency will likely continue to surge, and the prevalence and popularity of Sustainability Reporting will most likely continue to rise, especially in the post-Covid world.

All in all, SR must follow a standard framework and its metrics for its process and outcome to be credible and effective, and the tracking, measuring, and analyzing of data should be executed by sustainability and accounting instead of marketing and public relations professionals.

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Appendix A: Semi-Structured Interview

Sustainability Reporting (SR) is an organization's practice of measuring, disclosing, and being accountable to internal and external stakeholders by reporting publicly on its economic, environmental, and social impacts, and hence its contributions—positive or negative—towards the goals of sustainable development (Global Reporting Initiative [GRI], 2021).

In view of the current trends, the aim of this paper is to examine how sustainability reporting can influence organizational accountability, transparency, and policy by performing a content analysis on publicly available sustainability reports of Top 50 of Fortune 500 and Top 50 Global HEIs by US New and World Report. This interview will supplement as qualitative data and be recorded for academic research purposes.

Interview Questions

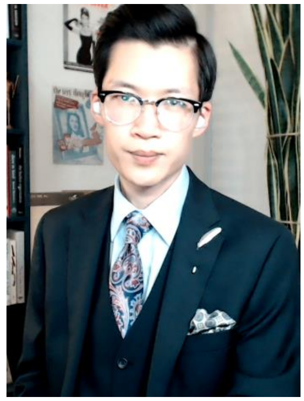
- How long have you been working on ESG?
- Could you characterize what you see as the overall purpose of your role academically or professionally in advancing ESG initiatives?
- What are some of the recent ESG projects with which you have been involved?
- Have you participated in any sustainability reporting effort as a professional?
- What are the reports focused on?
- How do you think laws and regulations affect SR?
- Would you be able to share an example?
- What are the advantages of SR?
- What are the side effects and land mines?
- What can an organization do to build a culture of sustainability?
- Chicken and Egg Theory—Is it because they have a culture so they report, or SR will help build the culture over time if you report?
- What might be included to improve my research focus?
- Can you think of anyone else I should interview?

Note. By participating in this interview, you agree to have your name cited in the research as *personal communication*, unless you express wishes to remain anonymous.

Appendix B: United Nations Sustainable Development Goals

Source. Communication Materials (n.d.). *United Nations Sustainable Development Goals*. https://www.un.org/sustainabledevelopment/news/communications-material/

Author Biography: Stephen N. Hamilton



Stephen Nathaniel Hamilton was born and raised in Tsingtao, China, a maritime city where the eponymous beer calls home. At a young age, he was exposed to an eclectic mélange of both the East and the West which equipped him with a well-balanced global perspective. He was steeped in the rich authentic Chinese culture and trained in British Royalty, Aristocracy, and Etiquette.

Inspired by legendary newsmen such as Peter Jennings, Stephen went to college for broadcast journalism and began his career as a news anchor, where he interviewed CEOs and next-door neighbors alike.

In Summer 2014, Stephen moved to the United States and devoted his work to social impact. Combining his experience in media advocacy and program management, he focused on the prowess of strategic storytelling and community partnerships.

"Organization is important, but not hierarchy". Stephen believes that leaders must lead at the front and set an example, not take a back seat while others do the work. To him, leadership means being acutely aware of one's strengths and weaknesses, committed to excellence and transparency, and accountable for the common good and social impact. It is imperative that all team members, regardless of their positions, feel empowered to voice their opinions and supported to bring their true selves to a project without fear for retaliation or judgment. Only then, can a leader make informed decisions and build a strong team.

Stephen holds a Master of Nonprofit Administration in Sustainable Development and Social Impact from University of San Francisco with his research focused on sustainability policy and leadership.

Stephen enjoys his spare time in the company of classical opera, swing jazz, and the spirits (pun intended) of the Roaring 20s. Just a man caught in between tradition and progression, the old and the new, the East and the West, and happily so.