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

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NPA 662: Nonprofit Data Analysis - Capstone
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United Nations Sustainable Development Goals

Source: https://www.un.org/sustainabledevelopment/news/communications-material/
Sustainability Reporting (SR)

Higher Education Institutions (HEIs)
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.

*Standardized* Sustainability Reporting (SR) can positively influence organizational *accountability, transparency.*

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.
Research Questions

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

H2: The likelihood of Fortune 500 and HEIs following SR frameworks is the same. (RQ2)

H3: Fortune 500 and HEIs both display a high-level use of the official SDG logos. (RQ3)
This research adopted **content analysis** as the main method with **quantitative** data being the dominant. **Semi-structured interviews** were conducted to provide qualitative content—opinions and insights of field practitioners—in support of the key findings.

**Sample Selection**
- Top 50 companies of Fortune 500 List 2021 by revenue
- Top 50 global universities by US News and World Report 2022

**Data Collection**
A sample was considered viable as long as it is a **stand-alone** report, separate from corporate financial or annual reports and other types of integrated reports, excluded otherwise.
## Data Analysis

<table>
<thead>
<tr>
<th>Results</th>
<th>Format</th>
<th>Length</th>
<th>Lead Authors</th>
<th>CEO Letter</th>
<th>SDG Logos</th>
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<td>&lt; .001*</td>
<td>0.002*</td>
<td>&lt; .001*</td>
<td>&lt; .001*</td>
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</table>
Data Analysis

1. No significance was found \( (p = 0.615) \) with logos.

2. However, the results exhibited a statistical difference in
   - Format \( (p < .001) \)
   - Length \( (p = 0.002) \)
   - Lead Authors \( (p < .001) \)
   - 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 tend to credit the lead authors who usually belong to the office of sustainability at each school.
Data Analysis

- No Framework: 8%
- GRI: 28%
- SASB: 26%
- Other: 38%
Data Analysis

- Fortune 500 companies and HEIs exhibited statistical significance ($p < .001$),
  - SDG 5 Gender Equality
  - SDG 8 Decent Work and Economic Growth
  - SDG 10 Reduced Inequalities

- In addition,
  - SDG 16 Peace, Justice, and Strong Institutions ($p = 0.005$)
  - SDG 9 Industry, Innovation, and Infrastructure ($p = 0.024$)
Data Analysis

- All SDGs were reported in a positive way, rate above 90%, four of which received 100%.
  - SDG 1 No Poverty
  - SDG 2 Zero Hunger
  - SDG 3 Good Health and Well-being
  - SDG 10 Reduced Inequalities
Data Analysis

- **No statistical differences** in following standard sustainability reporting frameworks in 2020.
Implications

*Standardization*
*Beyond GRI*
*SR in HEIs and SR Education*
*Stand-alone reports exclusively*
*Legal mandates and regulations*

*Conciseness vs. Completeness*
*Environmental vs. Everything Else*
*Comparability and Credibility*
Implications

❖ Sustainability and Accounting? Yes.
❖ Marketing and Public Relations? No.
Recommendations
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RECOMMENDATIONS

- Standardization
- SR in HEIs and SR Education
- Stand-alone reports exclusively
- Legal mandates and regulations
- Conciseness vs. Completeness
- Environmental vs. Everything Else
- Comparability and Credibility

1. Increase Sustainability Leadership education
2. Follow standard frameworks
3. Sustainability and Accounting professionals to track, measure, and analyze data instead of Marketing and Public Relations

RESULTS

- Sustainability reports in the US are still largely prepared from a marketing perspective.
- The inclusion of UN SDGs indicate a high awareness of sustainability issues and legitimacy building.
- HEIs are lagging behind in sustainability reporting.

DATA AND ANALYSIS

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<th>SDG 1</th>
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SUMMARY

This thesis reviews the sustainability reports released in 2020 by Top 50 Fortune 500 companies and Top 50 US News & World Report global higher education institutions (HEIs) to test the rigor of sustainability reporting at the height of Covid-19 Pandemic.

PURPOSE

1. To contribute to the study of standardized sustainability reporting (e.g., GRI), the necessity of mandates, and the cohesion with UN SDGs.
2. To determine the relationship between sustainability reporting and accountability and transparency.

RESEARCH

- How do Fortune 500 and HEIs design sustainability reports?
- How do Fortune 500 and HEIs follow SR frameworks?
- How do Fortune 500 and HEIs present UN SDGs in sustainability reports?

METHODS

Quantitative research based on content analysis with Qualtrics and SPSS, as well as a comprehensive Literature Review on sustainability reporting along with Expert Interviews.

RESULTS

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