FUTURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING

SUSTAINABLE DEVELOPMENT GOALS, INTEGRATED REPORTING AND GLOBAL REPORTING INITIATIVE

FINAL REPORT

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15 January 2020

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ACKNOWLEDGEMENTS

We would like to acknowledge the work of our research assistants, Dr Susan van de Meene and Ms Shalini Samuel, who both made invaluable contributions to the project.

We sincerely thank CPA Australia for funding this research study and the organisations and individuals who agreed to be interviewed.

LIST OF ACRONYMS

ACA	Airport Carbon Accreditation
ACSI	Australian Council of Superannuation Investors
AIST CGC	Australian Institute of Superannuation Trustees Corporate Governance Code
APRA	Australian Prudential Regulation Authority
ASX	Australian Securities Exchange
BEAM	Building Environmental Assessment Method
BIA	B-Corp Impact Assessment
CHRB	The Corporate Human Rights Benchmark
CDP	Carbon Disclosure Project
DJSI	Dow Jones Sustainability Index
EL	Equileap
EMCS	Ellen Macarthur Circularity Score
EP	Equator Principles
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas
GRESB	Global Real Estate Sustainability Benchmark
GR	Greenroads
GRI	Global Reporting Initiative
GS	Green Star
IEA TDS	International Energy Agency 2-degree scenario
IGCC	Investor Group on Climate Change
IIRC	International Integrated Reporting Council
ILO	International Labour Organisation
IR	Integrated Reporting
ISCA	Infrastructure Sustainability Council of Australia
ISS	Institutional Shareholder Services
JT	Just Transitions
KTC	KnowTheChain
LBG	London Benchmarking Group
LEED	Leadership in Energy and Environmental Design
MNC	Multi-National Company
MP	Montreal Pledge
MS	Modern Slavery
MSCI	Morgan Stanley Capital International Index
NABERS	National Australian Built Environment Rating System
NCOS	National Carbon Offset Standard
NFP	Not-For-Profit
NGERs	National Greenhouse and Energy Reporting
NGO	Non-Governmental Organisation
NPS	Net Promoter Score
PRI	UN Principles for Responsible Investment
SBT(I)	Science Based Targets (Initiative)
SR	Sustainability Reporting
TCFD	Taskforce on climate-related financial disclosures
UDHR	Universal Declaration of Human Rights
UNGC	United Nations Global Compact
UN GPBHR	United Nations guiding principles on business and human rights
UN WEP	United Nations Women's Empowerment Principles
UFI	United Nations Environment Programme Finance Initiative
WDI	Workforce Disclosure Initiative
WGEA	Workplace Gender Equity Agency

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EXECUTIVE SUMMARY

It is now eight years since the International Integrated Reporting Council released its discussion paper about a new type of company reporting. Integrated reporting (IR) promised to offer a new way to capture organisational value creation, communicate the integrated nature of company performance, and to clean up the wide variety of reporting frameworks organisations were exposed to. While considerable experimentation has occurred, uptake remains slow and the reporting landscape remains crowded.

Alongside Integrated Reporting, the Global Reporting Initiative (GRI) remains strong, and continues to influence reporting practice. This framework, founded in 1987, has evolved recently into a "standard", and is utilised by about 93% of the world's largest 250 corporations (GRI, 2019a). More recently, firms have also moved quickly to embrace the Sustainable Development Goals (SDGs). Evidence suggests these will play an increasing role in corporate reporting going forward.

It is within this context that this study sits. Rather than witnessing simplification and consolidation of reporting expectations, organisations continue to confront a complex reporting environment that is expanding rather than consolidating. Our aim was to explore how companies are using multiple reporting frameworks – in particular, the GRI, IR and SDGs – in their current but also future reporting practice. Our objectives were to understand: how companies reconcile the multiple reporting frameworks; the decision-making process for assessing and choosing environmental, social and governance (ESG) reporting frameworks; and, the impacts and implications of implementing multiple frameworks.

We conducted in-depth semi-structured interviews with 27 managers from 23 companies who were involved in their company's reporting in Australia. The companies use multiple reporting frameworks, particularly the SDGs, IR and GRI. The study canvasses reporting managers' decision-making processes in selecting reporting frameworks, how they are using these frameworks and the challenges associated with navigating this complex landscape.

Key findings include:

1. The use of multiple frameworks and increasing requests for data have led to significant complexity;
2. The TCFD (Taskforce on Climate-related Financial Disclosures) is a major reporting driver despite some resistance to its uptake;
3. Reporting frameworks facilitate communication to internal and external stakeholders, helping to tell a company's story, and inform or test its strategy;
4. While IR is seen as complex and difficult to implement, it provides a progressive framework for integration of other frameworks, and for driving integrated thinking;
5. Participants held mixed views about the relevance of the GRI. For some, it is becoming less relevant and useful, while for others it is the most credible and comprehensive global reporting tool;
6. While the SDGs are seen as a useful communication tool to tell an organisation's sustainability story, participants held mixed views about its usefulness in driving change. At this stage reporting against the SDGs is mainly confined to aligning, or retrofitting, the goals to sections in reports.

7. The major factors that influence organisations adopting, or dropping, frameworks include: driven by the Board or C-suite (e.g., CEO, CFO) (top-down approach); driven by sustainability people (bottom-up approach); pressure from external stakeholders; following what leading reporting organisations are doing; and, peer pressure;
8. All participants saw a substantive role for the accounting profession in the reporting framework space, particularly in providing practice guidance;
9. The major challenges identified by participants were: complexity due to a "cacophony" of frameworks and the lack of integration; a compliance mentality; translating frameworks for internal stakeholders; and, resourcing issues;
10. Participants advised new reporters to first focus on materiality before they choose the framework(s), be strategy-led, gain top-level support and buy-in, and, make pragmatic choices; and,
11. When sharing their future reporting plans, participants were predominantly focused on more effective and streamlined communication and reporting, and integrated thinking.

The growing experience and maturity of reporting managers provides confidence in picking and choosing the most appropriate reporting frameworks for the strategic challenges they face. New reporting managers would have more difficulty navigating this space than experienced managers, but focusing on materiality, the organisation's strategic priorities, and understanding the reporting appetite of senior managers would assist in choosing and evaluating the options before them.

1. INTRODUCTION

Sustainability, Integrated and other forms of voluntary environmental, social and governance (ESG) disclosure are important. According to the Australian Council of Superannuation Investors (2018), ESG disclosure facilitates the investment community's capacity to evaluate company processes and performance for identifying, managing and measuring ESG risks and opportunities. It also helps to establish and maintain trust between a company, its shareholders and other stakeholders. ESG accounting and reporting systems are also important because decision-makers need to be well-informed about their organisation's environmental and social impacts so they can compare different investment and operational options to address their ESG impact (Schaltegger et al., 2017).

However, reporting organisations face a confusing range of requirements to meet the expectations of their reporting and disclosure activities. While a multitude of ESG accounting methods and reporting guidance are available to help organisations understand and disclose their key, or material, ESG issues, three major frameworks are shaping the ESG reporting space: the Global Reporting Initiative (GRI), Integrated Reporting (IR) and the Sustainable Development Goals (SDGs). While IR was expected to clean up the patchwork of laws, regulations, standards, codes and guidelines (Frías-Aceituno et al., 2013), its adoption has been slow, and it has not (so far) replaced (or incorporated) most of those that exist. Indeed, the GRI is still widely used (Australian Council of Superannuation Investors, 2017) and new expectations have emerged. Most recently, the SDGs have started to resonate strongly with businesses – in a relatively short time since their launch (KPMG International (2017).

This clear trend strongly suggests that the SDGs will have a growing profile in ESG reporting (Bebbington and Unerman, 2018), further exacerbating the confusion that abounds within the reporting environment.

The aim of this research study was to explore how companies are reconciling multiple reporting frameworks.
The objectives were to:

- understand the decision-making process for assessing and choosing ESG reporting frameworks; and,
- understand the impacts of implementing multiple frameworks.

Section two provides a brief overview of the emergence of integrated reporting and the SDGs, which provides context for the research study. We then discuss our research design and methods (section three), before presenting our research findings (section four). Section five discusses the implications of the research findings and offers some recommendations.

2. BACKGROUND AND LITERATURE REVIEW

The International Integrated Reporting Council (IIRC) released the Integrated Reporting (IR) Framework in 2013 to improve how companies report, connecting financial and sustainability information in a single business narrative (Dumay et al., 2016; Kannenberg and Schreck, 2019). The framework aimed to solve perceived inadequacies of traditional financial and sustainability reporting (SR) through disclosure of performance information that relates to firms' value creation processes (Green and Cheng, 2019). The primary purpose of an integrated report is to explain to providers of financial capital "how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term" (IIRC, 2013, p. 7). IR is future-oriented, shifting away from retrospective financial reporting to a future-oriented focus on strategy, material matters, risks, opportunities and value creation (Adams, 2015; Wild and van Staden, 2013). Environmental, social and governance (ESG) factors are integrated as part of six capitals[1] (Slack and Campbell, 2016).

While IR is a relatively recent phenomenon, there is a substantive body of academic and practitioner literature. The academic literature has examined what integrated reporting is (Armbrester et al., 2011), why companies are doing it (Haji and Anifowose, 2016; Higgins et al., 2014; Robertson and Samy, 2019 in press; Robertson and Samy, 2015), how IR is impacting organisations and their business practices (Higgins et al., 2019; Setia et al., 2015; Stubbs and Higgins, 2014) stakeholders' perspectives on IR (Stubbs and Higgins, 2018) and critiques of the IIRC's framework (Dumay et al., 2016; Flower, 2015; Velte and Stawinoga, 2016). The literature suggests that the information in integrated reports is more connected (Haji and Anifowose, 2016), the reports have better materiality processes, and the information is more reliable than what firms previously reported (Higgins et al., 2019). There is more disclosure of the six capitals (Setia et al., 2015), and better explanation of an organisation's business model, performance, risks and strategy (Adams et al., 2016; Sukhari and de Villiers, 2018). There is also a stronger strategic discussion in the reports and emphasis on how the various drivers of value creation are interconnected (Higgins et al., 2019).

Nevertheless, doubt exists about whether managers understand the business value of IR (Perego et al., 2016). Conciseness is a challenge (Atkins and Maroun, 2015), as is comparability across reporting companies, even within the same industry (Ruiz-Lozano and Tirado-Valencia, 2016). Reports tend to be biased toward the positive (Stacchezzini et al., 2016), somewhat ceremonial in nature (Haji and Anifowose, 2016; Higgins et al., 2019) and possibly less useful than existing sustainability reports (Maniora, 2017). IR has been criticised for the dominance of the business case logic over environmental and social issues, and abandoning sustainability and a broader accountability to non-financial stakeholders given its focus on providers of financial capital (Brown and Dillard, 2014; Flower, 2015; Milne and Gray, 2013; Rowbottom and Locke, 2016; van Bommel, 2014). After a seven year ethnographic study, Gibassier et al. (2018) concluded that IR is a "rational myth", leading companies to implement their own version of an integrated report rather than the IIRC's <IR> Framework.

1. **Financial capital:** The pool of funds that is available to an organization for use in the production of goods or the provision of services. **Manufactured capital:** physical objects (as distinct from natural physical objects) that are available to an organization for use in the production of goods or the provision of services. **Intellectual capital:** Organizational, knowledge- based intangibles. **Human capital:** People's competencies, capabilities and experience, and their motivations to innovate. **Social and relationship capital:** The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being. **Natural capital:** All renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organization.

The SDGs were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals. The 17 goals, together with 169 targets and 232 unique indicators, cover three dimensions of sustainable development: economic growth, social inclusion and environmental protection. The goals address poverty, health, education, inequalities, economic growth, decent jobs, cities and human settlements, industrialisation, oceans, ecosystems, energy, climate change, sustainable consumption and production, peace and justice (Sustainable Development Goals, 2019).

Business plays a critical role in the achievement of the SDGs (Rosati and Faria, 2019), and attempts have been made to link them to company reporting. The United Nations Global Compact (UNGC) and the GRI jointly launched, for example, "The Action Platform" to enable businesses to "incorporate SDG reporting into their existing processes. This will empower corporate action that can make the achievements of the SDGs a reality" (GRI, 2019b). Emerging research on the SDGs has investigated their role in assessing corporate sustainability (Topple et al., 2017), improving sustainability engagement (Schonherr et al., 2017), providing investment opportunities (Schramade, 2017), and designing sustainable business models (Morioka et al., 2018; Rosati and Faria, 2019). Schramade (2017) found that only a small number of companies refer to the SDGs in their reports, while Rosati and Faria (2019) found that 67 out of the 408 organisations they sampled in 2016 (16%) addressed the SDGs in their sustainability reports.

While it is still early days, reporting against theSDGs is rapidly increasing (KPMG International, 2017), prompting Bebbington and Unerman (2018) to suggest that the SDGs could reinvigorate accounting's contribution to sustainable development debates.

3. RESEARCH DESIGN AND METHODS

The study identified organisations that are using the SDGs in combination with IR and/or GRI in their corporate reporting. We utilised in-depth semi-structured interviews to explore why and how organisations are using the different frameworks. This enabled us to understand the impacts and implications of these frameworks for reporting practice.

Semi-structured interviews are appropriate for exploring phenomena that are under-developed, and subject to much complex activity (Wengraf, 2001). These types of interviews afford the researcher an opportunity to explore some lines of enquiry suggested from prevailing literature and analysis of practice, while remaining open to insights based on the detailed and specific experience of the interviewee. The interview questions are provided in Appendix 1.

3.1 Selection of research participants

KPMG (2019) claim that over 70% of ASX200 companies focus their reporting on long term value through using at least some of the principles of integrated reporting, up from 25% in 2017. ACSI (2018) found that 20% of ASX200 companies used the SDG framework (27% of ASX100) and 36% used the GRI (48% of ASX100). We examined the reports and websites of the ASX200 companies and identified the reporting frameworks they were using. We shortlisted those companies that were using the SDGs in combination with IR and/or the GRI. We then reviewed the websites of non-ASX companies using the <IR> Framework and added them to the short list if they were using the SDGs. We also identified non-ASX companies using multiple frameworks through snowballing (referrals from industry contacts).

From this initial research, we identified 44 organisations that were using the SDGs and at least one of the GRI and <IR> frameworks (see Table 3.1). When contacted, 23 of the 44 organisations agreed to participate in the research. In three organisations, more than one person participated in the interview. We targeted managers who were responsible for reporting in the organisations (integrated report, annual report, and/or sustainability report).

TABLE 3.1
SUMMARY OF RESEARCH PARTICIPANTS

Frameworks	Organisations identified	Acceptances	Interview participants
Companies using GRI, IR and SDGs	12	8	10
Companies using GRI and SDGs	27	10	11
Companies using IR and SDGs	5	5	6
TOTAL	44	23	27

The interviews were undertaken in Sydney and Melbourne in July-September 2019 and lasted between 45-75 minutes. 19 interviews were held face to face and four via zoom (online meeting). All interviews were taped (with permission) and transcribed. All research participants were allocated a code to ensure anonymity. Table 3.2 provides details of the participants.

TABLE 3.2
DETAILS OF RESEARCH PARTICIPANTS

Code	Type of organisation	Industry	Job Title
INT1	Non ASX	Services	Sustainability Manager
INT2	Non ASX	Services	Corporate Responsibility Manager
INT3	Non ASX	Financial Services	Senior Responsible Investment Advisor
INT4	ASX listed	Financial Services	Associate Director, Measurement and Reporting, Corporate Responsibility
INT5	ASX listed	Conglomerate	Sustainability and Indigenous Affairs Manager
INT6	ASX listed	Manufacturing	Sustainability Manager
INT7	Non ASX	Financial Services	Corporate Responsibility and ESG Specialist
INT8	ASX listed	Financial Services	Head of Corporate Sustainability
INT9a	Non ASX	Financial Services	Head of Investment Relations and Reporting
INT9b			Head of Corporate Affairs
INT10a	ASX listed	Property	General Manager Sustainability
INT10b			Senior Investor Relations Manager
INT10c			Sustainability Reporting Advisor
INT11	Non ASX	Services	Senior Manager - Planning & Strategy Execution
INT12a	Non ASX	Travel	Responsible Business Manager
IN12b			General Manager of Communication
INT13	ASX listed	Financial Services	Executive Manager, Corporate Responsibility

Code	Type of organisation	Industry	Job Title
INT14	Non ASX	Services	Senior Manager, Group Sustainability & Environment
INT15	ASX listed	Energy	Senior Manager Sustainability
INT16	ASX listed	Property	Executive General Manager – Investor Relations & Sustainability
INT17	ASX listed	Aviation	Head of Sustainability
INT18	ASX listed	Construction	Head of Sustainability
INT19	ASX listed	Financial Services	Senior Manager, Corporate Responsibility
INT20	ASX listed	Building and Construction Materials	Group Investor Relations and Sustainability Reporting Manager
INT21	ASX listed	Services	Group Manager, Sustainability
INT22	ASX listed	Telecommunications	Senior Specialist, Strategy and Inclusion, Government, Regional Affairs and Sustainability
INT23	ASX listed	Transport	Senior Manager, Sustainability Asia-Pacific

3.2 Data Analysis

The interviews were tape recorded (with permission, and subject to the conditions of Monash University's ethics approval) and transcribed to aid the analysis process. Using the Nvivo software package, the transcribed interviews were analysed and coded. Qualitative analysis techniques were used to guide the coding process and draw out key themes (Strauss and Corbin, 1998). Codes were derived from the interview data based on the actual words or terms used by the interviewees (in vivo codes) or by summarising the concepts discussed by the interviewees (constructed codes). Coding included chunks of text at the phrase, sentence and paragraph level. Codes were grouped into categories and then classified into themes as patterns emerged within the data (Neuman, 2003; Patton, 2002). The key themes are discussed in section 4.

4. RESEARCH FINDINGS

We first discuss the extent of the frameworks that our managers engage with, and have considered. Given the profile of the GRI, the <IR> Framework and the SDGs we then explore the role that these three frameworks specifically play in current reporting activity, and their likely role going forward. Against this, we drill down in to the decision-making processes, challenges, and implications of the current reporting environment.

4.1 Use of frameworks

1. Key Finding: The use of multiple frameworks and increasing requests for data have led to significant complexity.

In all, the participants identified 51 frameworks that inform their reporting. There are generic frameworks that apply to all industries (27 identified), such as IR, GRI and SDGs, industry-specific frameworks (15), and benchmarks/ indices (9) such as the Dow Jones Sustainability Index (DJSI) and FTSE4Good. See Appendix 2 for a summary of the frameworks used by each organisation. All participants pointed to the complexity of using multiple frameworks and increasing requests for data, but also pointed to the trend towards framework bodies integrating or connecting their frameworks, such as: CDP with TCFD, IR with GRI, IR with SDGs, GRI with SDGs, and, Global Compact with GRI and SDGs etc.

we're getting more and more requests – "Can you fill out our questionnaire?". We're a small team, we can't do all of that and a lot of them are frankly irrelevant anyway and we think if our public disclosures are robust and transparent, and cover the material issues, that's what those research companies should be looking at. [INT8]

When we asked participants about what frameworks were driving their reporting, TCFD was the most discussed (17 companies), followed by the GRI (15), CDP (15), the SDGs (14), IR (10) and the Global Compact (10). While over half of the companies report against CDP, TCFD is seen as a potential improvement, and replacement for CDP:

we think the TCFD does a better job of telling the story around your own narrative and what it means to your business rather than trying to slam a square peg into a round hole… CDP is not an easy task and it's kind of artificial as a way of presenting that information. [INT6]

2. Key Finding: The TCFD framework stands out as a major reporting driver despite some resistance to its uptake.

In fact, some participants believe that TCFD could drive the reporting agenda as it frames issues in a "more strategic way", encourages more collaboration, and it provides a useful template for reporting sustainability issues:

In terms of frameworks, TCFD to me is entirely logical. I like it because it's almost a framework that you could use for any issue, not just climate change. You just translate your issue and change it because it gives you the fundamentals of what you need to know about how a business is managing its risks. [INT17]

And it could help drive integrated thinking and the take-up of IR:

TCFD is going to be a door opener for Integrated Reporting to be more effective… TCFD will assist in the Integrated Reporting process working a bit better simply because it encourages more cross-functional collaboration between functions like risk, strategy, finance and governance which are all very critical to what integrated thinking and Integrated Reporting is all about. [INT23]

However, the executives and Board of one company are resisting using TCFD because it requires them to disclose more information than they are comfortable:

We've tried to get it over the line with the board and we haven't been able to yet. There's not a lot of appetite for that level of quantification at this point... it's about risk appetite, I think. [INT22]

3. **Key Finding: Reporting frameworks facilitate communication to internal and external stakeholders, helping to tell a company's story, and inform or test its strategy.**

A major reason for using reporting frameworks is to facilitate communication to internal and external stakeholders. Participants pointed out that the frameworks should not be seen as something that "bind us" or something they have to comply with, but a tool to improve "the way we manage things, so we avoid risks and have more clarity on how we work, how we create value". They are used "where it makes sense for us". The frameworks help organisations tell their "story", as the report is seen as a "source of truth".

my philosophy is that the framework should serve our story rather than being hamstrung by meeting all of these quite mechanical requirements across different frameworks. And we should be telling the story about what is unique about the organisation in a way that actually resonates with its own people. [INT4]

One participant reinforced that they take an "inside out and then the outside in" approach, that is, looking at what is core to the organisation's business first and then how the frameworks can be applied to inform external disclosure.

Reinforcing that the frameworks don't drive reporting, but facilitate reporting, participants "pick and choose" frameworks, or parts of frameworks, to tell their own story. They use different frameworks for different purposes, to "chart your own course". For one organisation, the frameworks can help drive change in the organisation, although this was not a common sentiment amongst the participants:

the TCFD has prompted a lot of work being done in this area. And I guess as a result of that, quite a coordinated approach in terms of the roadmap we're putting forward for the work we're going to do in the area in the next two years. [INT20]

For many others though, the frameworks are useful to inform an organisation's strategy, or to test its future strategy, "to ensure that we consider things like the planetary boundaries concept from the Stockholm Resilience Centre, and also ensure that the social programs are very strong".

4.1.1 Global Reporting Initiative

4. **Key Finding: Participants held mixed views about the relevance of the GRI. For some, it is becoming less relevant and useful, while for others it is the most credible and comprehensive global reporting tool.**

Organisations that use the GRI believe it has the most credibility in sustainability reporting because it is sector-neutral and non-judgemental; is robust and global; allows comparability and consistency of data; is well-established and everyone is used to it; and, is very comprehensive and a "door opener and gateway" to investors. As such, one organisation was able to secure the largest sustainability-linked loan in Australia by increasing its GRI reporting level from "referenced" to "core". The most useful aspect of the GRI is the materiality assessment process:

I'm a massive believer in the materiality principle that's in GRI. Too many reports for too many years were just about the easy stuff. So I've just redone our materiality assessment for this year so that we can check back in and make sure we're doing the right things. I think that's one of the most valuable things GRI can bring to a corporate report. [INT17]

While one participant described the GRI as "a backbone structure to articulate sustainability in a way that is global best practice reporting", the organisations are "quite deliberate in picking the indicators" that reflect their businesses because "we need to tell the story to our investors and our stakeholders in the way that best meets our performance" – the GRI is a useful "reference point".

we don't want to be reporting just for reporting's sake. I will determine what we should be reporting. So it is really just looking at what makes sense for the business. So it is always weighing up, is a stakeholder actually interested in it? Are we collecting it already? Is it going to be meaningful? And can we get accurate year on year reliable data to put out in the public domain? [INT5]

In addition, the GRI does not satisfy all the organisations' reporting requirements and they supplement it with other indicators that are important to their business, such as employee engagement indicators and remediation which "I guarantee is top-of-mind for so many investors and potentially customers too". As a result, the GRI is becoming less relevant to participants and some are moving away from the GRI. One participant summed it up: while "there's just a whole lot of aspects under GRI that aren't relevant to us", they are "still supportive of the GRI and we will still use the indicators that are relevant". Other criticisms of the latest GRI Standards are: it is a lot more restrictive; it has grown into "quite an enormous beast" compared to earlier versions of the GRI; it has become "more of a box ticking approach"; there is a lot of duplication "that could be better converged"; and, it is a "a data dump, I struggle to find it more useful than that".

4.1.2 Integrated Reporting

5. Key Finding: While IR is seen as complex and difficult to implement, it provides a progressive framework for integration of other frameworks, and for driving integrated thinking.

For a small number of the participants, the adoption of IR was driven by the Board and/or executives (CEO, CFO)

So the board member who's particularly interested has been educating her fellow board members as to its benefits. And that has then trickled down into the executive team… The report is the outcome of that. But I think the benefit comes from the internal workings. [INT7]

Participants found that IR is a progressive approach to integrate sustainability into management thinking, is forward-looking, breaks down silos within the organisation and "opens doors to more collaboration". It helps to explain the business model, articulate the value creation story and drive integrated thinking and a more "integrated business, having a much better business strategy". IR provides a base framework to integrate other frameworks, such as the SDGs.

Integrated Reporting is the base level framework, we would consider then [COMPANY] Sustainability Framework sits on top of that, and then we would say the SDG sits on top of [COMPANY] Framework. So you've got three different levels of frameworks that interconnect and intersect, and they all have relevance in their own arenas. [INT23]

While the most useful aspect of the GRI was the materiality component, some participants also use the IR materiality approach in conjunction with the GRI process.

Others felt that there is not a good understanding of IR in Australia, it is too hard, complex and time-consuming to adopt, and is a "step too far". IR was seen to be "limping along" in Australia because there is no strong imperative or push to adopt it, and TCFD is more appropriate to investors. It requires regulation for it to become "a real thing". IR is not specific enough in terms of "what specific disclosures we need to make and what a good disclosure should look like". There is "quite a lot of story-telling" and not enough measures because it is principles-based. However, some saw this as a strength: the principles-based approach is useful for telling a holistic story about the organisation's strategy and its operating environment, how it creates or destroys value and the challenges it faces. Executives and non-financially minded stakeholders "get that".

It is interesting to note that one participant thought that IR is not well-suited to ASX disclosure obligations, while another pointed out that "the ASX Corporate Governance Council's recommendation 7.4 made reference to integrated reporting".

4.1.3 Sustainable Development Goals

6. Key Finding: While the SDGs are seen as a useful communication tool to tell an organisation's sustainability story, participants held mixed views about its usefulness in driving change. At this stage reporting against the SDGs is mainly confined to aligning, or retrofitting, the goals to sections in reports

While some organisations adopted the SDGs "to keep up with reporting trends", most believe it is a useful communication tool to tell their sustainability story. The SDGs provide a common language and narrative for stakeholders to align with. Participants have integrated the SDGs into their current reporting – mapping, aligning, reshuffling, or retrofitting the goals to sections in their reports. Because the SDGs do not provide a structure for reporting, they are "back-fitted into the structure of the report rather than drive the report". While the participants do not consider the SDGs to be a reporting framework, like the GRI, they use the SDGs as a roadmap or blueprint to map their impacts against the goals. It is seen as a simple, clear, or easy way to demonstrate the organisation's commitment, and contribution, to addressing the global sustainability challenges and issues. For one participant, the SDGs

allow us to connect our business to the world's objective, to link our sustainability efforts to common goals that have been identified as important for the world. [INT23]

It allows organisations to connect into "a whole community of practice around the SDGs within the UN Global Compact Organisation in Australia", which for this participant is the most useful aspect of the SDGs – it brings practitioners together to talk about how they can solve the problems and share learning, rather than how they report on the issues.

While a few "map out how we impact all of them across the organisation", most focus on priority areas and "cherry pick a few" that they can influence and "can make the most material contribution" to the goals. A number of organisations have integrated the SDGs into their materiality assessments, consulting with their stakeholders to identify the goals most relevant to the organisation. Some participants believe the SDGs is a "call to action for business" and could drive change and the business strategy. For one participant,

the SDGs certainly play a role in developing our future strategy, we consider these particular SDGs fundamental to our business model. [INT23]

However, others are sceptical that the SDGs could drive change and "do anything to turn the dial". There is little stakeholder appetite or investor pressure, although there is some pressure from the Business Council for Sustainable Development, the Department of Foreign Affairs and United Nations, especially if the organisation is a signatory to the Global Compact. One participant warned against "greenwash", or "rainbow-wash", because "it's easy for you to put a badge next to" sections of the report rather than informing the strategy.

Some participants are cautiously adopting some of the 169 targets or indicators (232 unique indicators), but most found it difficult to use the targets/indicators and measure their impact against the goals. One participant argued that "the targets don't actually align to the goal". For example, "the energy targets are actually more aligned to what you'd expect from a climate change goal". This is partly due to the perception that the SDGs were designed for governments, not business or investors. While business has a "massive role to play", the lack of awareness of the SDGs in Australia and lack of support and guidance from the Australian government is a barrier to adopting the SDGs.

So the challenge I have with the SDGs is what is Australia's fair share in terms of a contribution towards them and then how do we as an organisation calculate our contribution towards Australia's contribution to the global goal? We can sign up to the intent of the goals and identify our own metrics I suppose but is it meaningful without a national layer? [INT4]

4.2 Decision-making process for assessing frameworks

7. Key Finding: The major factors that influence organisations adopting, or dropping, frameworks include: driven by the Board or C-suite (e.g., CEO, CFO) (top-down approach); driven by sustainability people (bottom-up approach); pressure from external stakeholders; and, following what leading reporting organisations are doing, or, peer pressure

Companies carefully evaluate frameworks before they adopt them "because of the cost and effort involved" in adopting new frameworks. The major factors that influence organisations adopting, or dropping, frameworks include: driven by the Board or C-suite (e.g., CEO, CFO) (top-down approach); driven by sustainability people (bottom-up approach); pressure from external stakeholders; and, following what leading reporting organisations are doing, or, peer pressure. In many of the companies, it is a combination of these factors: "there's a bit of push and pull, it really depends".

4.2.1 Driven by Board or C-suite

Directors often sit on multiple Boards and promote particular frameworks to the executive team, which is pushed down to the sustainability team to manage. This is particularly the case for IR. The other frameworks that were most mentioned as being pushed by the Board/C-suite were the SDGs, TCFD and Modern Slavery (which is a recent regulatory requirement). The UN Global Compact Australia is active in lobbying business leaders to become signatories to the SDGs.

if you have got directors who sit on different boards of companies, they might say, "on my other board we are doing really well in this particular initiative" or something like that. And so there is a bit of peer pressure and particularly amongst ASX. If I am considering pulling out or participating in something or adopting a framework, the question will always be, who else is doing it? [INT5]

The CEOs also belong to industry bodies that promote particular frameworks, such as the Australian Sustainable Finance Initiative (TCFD framework) and Pay Equity Ambassador Network (WGEA framework), or are ASX-listed companies and adopt the ASX Corporate Governance Principles. The DJSI was also mentioned as one that "our CEO really loves" and can't be dropped even though it is labour-intensive and "investors just don't use it".

4.2.2 Driven by sustainability team

While the SDGs and TCFD were pushed down from a number of Boards and/or C-suite, for other participants, the sustainability team drives decisions about adopting, or dropping, these and other frameworks. However, as noted by one participant,

The board always makes the final decision for anything that's got to be disclosed to the market that could be material to the share price. That's what happens when you're a public company. [INT22]

Although many frameworks are inherited, the sustainability team will investigate new frameworks, and then take their recommendation to a management committee for discussion and approval. Some also review proposed frameworks with external stakeholders:

take it externally and test that concept with thought leaders, customers, peers to get their feedback, and then we would be proposing to the board what we believe we should be pursuing in the next sustainability round.

As mentioned earlier, it is often a combination of top-down and bottom up decision-making process and external pressure, as one participant described in detail:

> *the office of the company's secretary will – particularly if it's a got a market facing aspect or investor relations – usually ask us a question about should we be involved in this? A board member might ask the question at a board meeting. You know, I've heard about this, are we involved? Are we not involved? The sustainability team will generally do some analysis around literally matching up and what does this framework require? Like what would be additional work for compliance? We'll do a bit of benchmarking, both of our industry peers overseas and of ASX top 20 companies and if everybody else is doing it, then we probably should is often where we land. But sometimes, we just get told. For example, the new ASX guidelines came out last year and it was "here they are, show us how your report is compliant". If it's not, explain to us why it's not and what you're going to do about it. [INT22]*

It is also dependent on the resources required, and available, to adopt a new framework: "weighing up the resources involved and what the payoff is".

4.2.3 Follow the leaders

Sustainability managers closely follow what their peers are doing in the reporting space and also the reporting leaders, global and Australian. The participants listed over 40 reporting leaders that they follow or take notice of when reviewing frameworks and reporting decisions.

Some frameworks are adopted because they are considered common practice or best practice, such as the GRI, IR, SDGs and TCFD. There is a strong element of peer pressure, competition, one-upmanship and keeping pace:

> *So if everyone is doing it, if you're an outlier and you can't really explain why, it's problematic for you… there's a real kind of competitive element which is a good thing I think for sustainability, as long as you're not kind of just paying lip service to it. You want to be with your peers, you don't want to be seen as the laggard. [INT8]*

For example, if the UN Principles for Responsible Banking becomes the norm with peers, then INT8 will adopt it, but they will need to "convince the CEO to sign up to that one".

4.3.4 Stakeholder pressure

Participants pointed to pressure from a number of external stakeholders: investors and investor groups like the IGCC (TCFD, rating indices such as DJSI, MSCI, Sustainalytics), NGOs such as the UN bodies (SDGs), industry bodies such as ACSI, clients (e.g., in property industry – Green Star, ISCA, LEED, BEAM etc), regulatory bodies such as APRA (TCFD) and activist organisations such as Market Forces and Australian Centre for Corporate Responsibility. One noted that there "doesn't seem to be any pressure for us to use the GRI anymore. We are actually really thinking about whether we do jump through that hoop in future or not".

Other factors that influence participants' decision-making include: conducting the normal business case process, including a cost-benefit analysis; assessing the credibility of the framework and the people involved in developing the framework; and, choosing frameworks that "make us credible". About a third of the participants said it was an informal process:

> *We have meet-ups every month to talk on updates on different things like diversity and inclusion, TCFD; is there a new framework, what is the position that we suggest, should we just watch that… [INT2]*

8. Key Finding: All participants saw a substantive role for the accounting profession in the reporting framework space, particularly in providing practice guidance

Sustainability managers also seek advice and guidance from the accounting profession, consultants, industry groups/bodies and their peers. Significantly, all the participants saw a substantive role for the accounting profession in the reporting framework space, one suggesting that the accounting profession is "in fact one of the most critical".

Others felt that the accounting profession could be more involved in providing practice guidance.

I read somewhere that accountants will change the world. Reporting is not just part of what sustainability teams to do. I think accountants have a very powerful position in the business to connect risk with bottom line and what is a future scenario for a company and how we should operate and make the case for it. I mean integrated reports in many ways are a summary of that. It's actually giving guidance to someone from a disclosure perspective or thinking perspective – what do you need to know that is important for those who are going to use your report? And accountants and financial controllers have such a good grasp of the organisation's risk but also, are very pragmatic on how to operationalise it. [INT2]

4.3 Challenges in using multiple frameworks

9. Key Finding: The major challenges identified by participants were: complexity due to a cacophony of frameworks and the lack of integration; the compliance mentality; translating frameworks for internal stakeholders; and, resourcing issues.

4.3.1 Complexity and lack of integration

80% of the participants highlighted the growing complexity of navigating multiple frameworks, some of which are issue specific (such as modern slavery, NGERS, TCFD, WGEA, WDI, UN GPBHR etc) and others covering a broad range of sustainability issues (for e.g., GRI, rating indices, SDGs). There is general consensus that there are too many frameworks which is challenging "in terms of being able to tell a cohesive story and the timing of them are all different… all these random reporting periods are unhelpful". As one participant pointed out, "it's very easy to add, it's more difficult to take away".

Multiple frameworks are problematic. I'm on the stakeholder council of the GRI, for example, and that is an issue they face. And they are not the only ones facing that. SASB has the same issues and a few of the other frameworks have similar issues because you have got new things that come up like the recommendations of the TCFD. Now, where does that fit with their global frameworks as well, or can they be side-by-side or are they just picked up and brought in. So it's complex. [INT9a]

However, one seasoned sustainability manager begged to differ:

I read articles all the time where people are complaining about the plethora of sustainability frameworks and it makes it so difficult to compare, blah blah. I think I'm just used to that's the world that we're in and it doesn't seem that complicated. It's hard in the sense that you've constantly got to be watching out for what's on the horizon in terms of the next reporting framework, but I think there's also been a bit of work done to harmonise things. [INT8]

While participants highlighted that there is duplication across the frameworks, in terms of what issues they cover and the data they require, the frameworks also have their own unique data requirements, or elements.

in general everyone seems to ask for something in a slightly different way or with a slightly different metric but in essence with the same intent. [INT17]

The continual evolution and demand for more information is also challenging to meet. Participants singled out the CDP and DJSI as particularly demanding frameworks to comply with – for one participant, the DJSI submission is 200 pages and CDP is the same. In addition, there is a tussle with additional ad-hoc requests for data, such as human capital measurements, and a "burgeoning indices landscape boiling away". As a result, this participant feels they are being pulled in different directions by different frameworks, which means that "you do lose sight of what's material". There are also tensions around the purpose of the report and satisfying the different audiences represented by the frameworks (NGOs, investors, regulators, human rights groups etc), as well as meeting the expectations and demands of other stakeholders.

This has implications for how many reports organisations are required to produce, as well as the length and coherence of the sustainability/annual report as there are increased demands for shorter and more streamlined reports.

It is not surprising that participants are calling for a level of rationalisation, harmonisation, or consolidation, in the reporting framework space. Participants identified commonality across frameworks, and frameworks that are "not competing" and logically "fit together" – for example, the ASX Corporate Governance Principles, IR, GRI and SDGs.

> *what you will find with these frameworks is commonality and where that commonality crosses over you can start to say, well this is a must have, this is a key consideration that we must have within our framework. [INT23]*

Some framework bodies are starting to respond to these criticisms and aligning with similar frameworks, for e.g., CDP aligning with TCFD.

4.3.2 Compliance mentality

The second most mentioned challenge was that reporting frameworks were seen as a compliance requirement rather than "something that is beneficial, to improve how we report", which just creates more reporting workload. When asked what would happen if some of the compliance-based frameworks were dropped, several participants pointed to peer pressure (see s4.2.3), or being left behind.

> *it would feel like your report doesn't have the rubber stamp of quality. That it might feel less reliable or less transparent. You're not being accountable enough. And I think there would be some truth to it but we need to be smart on how we use them and when to use them and for what purpose. [INT2]*

Others are moving away from a compliance approach and reporting for reporting sake, to using the language of "informed by" or in "reference to" focusing on reporting the organisation's material issues.

Some participants are attempting to moderate expectations by putting comprehensive and clear information into the public domain and direct the framework bodies to that source, rather than adopt more frameworks. One participant proposed that as technology improves, organisations will be able to enter the data once into a central system that "everyone can take and score as they want for their own purposes".

4.3.3 Translating frameworks for internal stakeholders

The third most mentioned challenge was bringing people along with you and educating the functional areas on the different framework requirements and the data they need to provide. The challenge is to "take all this and translate it" to the internal stakeholders, to meet the reporting commitments.

> *I think we've done it so many times now the business understands that it's an obligation that we need to fulfil … generally when these things come out it's always competing with a number of other different things in the business and we need to make sure that we fit around them and don't burn our bridges just demanding that they respond to surveys endlessly. [INT10c]*

One participant referred to keeping their true north in terms of what matters, translating the language of the external world of frameworks so that it resonates with people who have got sway in the organisation to provide the information required. Another sustainability manager runs education sessions on why they use the particular reporting frameworks, in order to get the content for the report from the subject matter experts.

4.3.4 Resourcing issues

The fourth most mentioned challenge was that of limited resources – time, people and budget – to address the requirements of multiple frameworks. As one participant summarised, "it's distracting and time-consuming and energy-consuming" to meet all the demands for information, and "we're not going to get a bigger team to do it". Another put in more bluntly:

But you also don't want to be spending your time chasing unicorns and spending a lot of time. If you think about the reviews that it goes through, it's a lot of resources for business – and some very senior people – when, really, we should be spending the bulk of our time on delivering the programs, creating the most shared value for the business and for society, as opposed to just reporting on it all the time. [INT10c]

This was reinforced by other participants who felt that their energy was better spent doing things than ticking boxes for frameworks and indices.

4.3.5 Advice to new reporters

10. Key Finding: Participants advised new reporters to first focus on materiality before they choose the framework(s), be strategy-led, gain top-level support and buy-in, and, make pragmatic choices.

Reflecting on their challenges, we asked participants what advice they would give to organisations that were just starting to navigate the reporting framework landscape. The participants overwhelmingly recommended that organisations first focus on materiality before they choose the framework(s), be strategy-led and gain top-level support and buy-in, and, make pragmatic choices.

Materiality is important because it is the first thing that investors and other users of the report look at. Materiality involves understanding internal and external stakeholders' expectations, needs and wants, as well as understanding the organisation's appetite to disclose material issues.

So I would say the first thing is materiality, and to do a materiality review you need to know who your key stakeholders are, how are you going to engage with them and then from there I think you develop a reporting framework. [INT8]

Looking at the materiality assessments of other organisations in their sector, or engaging external consultants, may also be helpful in identifying material issues.

However, one reporting manager cautioned that new reporters should be very careful conducting their materiality review to guide which framework(s) they adopt:

once you have adopted one, it is pretty hard to get out of it. And so you have got to think quite critically before jumping on one to make sure that it is what you want to spend all your time doing… you may think that it is really material for a particular stakeholder, but then you find out that they don't really care. And so you don't need to have wasted so much time. [INT5]

Once an organisation has "done your materiality", they need to connect it with the business strategy and what the Board is looking at, to help prioritise reporting requirements and clarify the purpose of the report. As one participant argued, "ultimately you'd want a business strategy that has this stuff baked into it". Unless its connected with the business strategy and organisations have top-level support for their reporting choices, "you are going to be pushing it uphill forever".

take the time to build that engagement with your board, with your senior executive, with your major senior staff within the organisation… and you will get to a point where you can start to see some real benefits through the process of what you are doing and how that benefits the actual organisation. [INT9b]

Participants urged organisations to make pragmatic decisions and not to "jump into things because they felt they had to or because of social pressure" but choose framework(s) that best fit your organisation and purpose. For many, this meant using GRI because it had a comprehensive materiality process and was the most useable framework, even though some experienced reporters were moving away from the GRI (s4.1.1).

4.4 Future plans

11. Key Finding: When sharing their future reporting plans, participants were predominantly focused on more effective and streamlined communication and reporting, and integrated thinking.

Finally, we invited participants to share their future reporting plans. The most mentioned areas that participants were focusing on were: more effective and streamlined communication and reporting; and, integrated thinking. However, a few participants did state that the report and frameworks will be more of the same, with some incremental improvements, such as setting targets.

4.4.1 More effective and streamlined communication and reporting

Participants talked about streamlining and simplifying the reporting suite to remove duplication, increase clarity and coherence, and increase connection of information. This involves how the organisations will package the information to make it less data heavy and more "accessible to people who we want to be reading it". For some this involves translating the information for different audiences.

> *So the comms team, that's then their challenge, is to translate that information and be able to make it consumer friendly or whatever else we need to do. [INT4]*

For another, it is restructuring their reporting suite more along the lines of the Strategic Reports in the UK. They will have one PDF annual report with the annual review sitting at the front of the report, which will be sent out to shareholders. Users will be able to deep dive into supplementary sustainability disclosures and read case studies online, "because there is duplication across our reporting suite so we're really trying to get rid of that".

Other participants are moving towards a dynamic way of reporting, because their stakeholders don't want to wait for an annual sustainability report – they want to see dynamic content via, for e.g., videos and tweets.

They will receive ongoing updates to enable "more of a dialogue with stakeholders rather than a one-one reporting relationship like we have at the moment". Or they will be able to build their own report platform:

> *that allows people to extract the relevant data that they want, and hopefully that will satisfy investors. And then that frees up our other report to talk in a more integrated way to tell our story, engage our people about what we stand for and for them to be able to use as a tool to engage with their stakeholders about what's important to us as an organisation and how we're contributing or not to creating value in the community. So I think more integration, more dynamic reporting, more user-generative reporting. [INT4]*

4.4.2 Integrated thinking

There is a concerted effort in some organisations to "make sure that you have got an integrated thinking approach that's happening across the organisation". This will enable people to see how different reporting requirements fit together and how they contribute to the overall strategy. Integrated thinking leads to better reporting, "so the report will write itself once we do our integrated thinking better". One organisation has convened an integrated thinking working group with executive-level and senior management representatives, to further discussions around how "KPIs flow through strategies to people, individual performance reviews and all those sorts of things".

5. DISCUSSION AND CONCLUSIONS

It is clear that the reporting landscape in Australia is complex. Across our sample of 23 firms, there are at least 51 different reporting schemes being used – spanning general reporting frameworks, industry-specific frameworks, and other types of benchmarks and indices. Amongst our firms, only one was reporting against only the three (IR, GRI and the SDGs) we specifically examined. One in our sample was exposed to 17 reporting frameworks, and (on average) our sample firms are using 9.7 of the frameworks canvassed.

At face-value the extent of the reporting frameworks presents obvious challenges. All of the managers pointed to complexity not only between the reporting frameworks, but also within them. Those we interviewed also highlighted the complexity that such a crowded reporting landscape generates within organisations – including the challenges of "translating" external reporting requirements, in order to get the data required from across the business, and maintaining a strategic perspective to reporting (rather than getting lost in box-ticking and compliance). All organisations also have limited resources – thus the question of how they navigate these frameworks in their current reporting – and what their intentions are going forward – are salient. Also of significance is how organisations reconcile the frameworks they do use, how they evaluate and choose amongst the possibilities, and what the implications are of incorporating such breadth.

One of the first insights we gleaned was that not all reporting frameworks are equal – offering some discretion to managers. The GRI – that has become widely adopted – was largely accepted as "normal". The decision to adopt was straightforward and understood. The <IR> Framework, in contrast, does not enjoy the same degree of exposure – affording firms more discretion in whether and how they adopt it. There is less pressure, it is less institutionalised, and it is less widely expected. The SDGs differed again – their global positioning, their inter-sector adoption, and their "brand" presented some pressure – but incorporating them was easy.

Thus, while 51 frameworks (or even 9.7) seems a lot – they do not all require the same degree of effort, resourcing and commitment.

We also found some managers that were simply resigned to the complexity of the environment in which they operate. All organisations, and the environments in which they operate, are complex. While harmonisation, simplification, and cohesion are seen as desirable, it was also recognised as probably not realistic or possible at this stage.

Concomitant with acceptance of complexity, we observed a growing maturity amongst the reporters that assists in navigating reporting complexity. This maturity afforded the managers some capacity to make sense of, select, and implement the most valuable parts of the reporting frameworks they encounter. Several also pointed to a greater degree of understanding within their organisations (at a senior level) about reporting, and its importance, than what might have existed previously. This maturity meant managers were able to confidently curate from amongst the reporting frameworks an approach that best met their strategic needs. They were more confident picking and choosing amongst the most useful parts of available frameworks – and they felt less inclined to implement a framework in its entirety. The managers appeared more confident justifying the choices they made within their reporting suite, rendering the complexity they (could) face manageable (albeit not entirely eliminated). Greater awareness and understanding of the importance of reporting within the organisation meant also that "usual" approaches to evaluating alternatives (e.g., cost/benefit analysis and a business case) were able to be used to make choices about reporting frameworks. While new expectations about reporting continued to emerge both externally (e.g., via investors) and internally (often from the Board or via the CEO and their networks), this overall maturity provided scope for conversations about how reporting frameworks contributed to strategic decisions.

One other insight – perhaps more subtle than direct – was a hint that the reporting field was also growing in maturity. Some suggested that those setting and establishing reporting frameworks were cognisant of the need for some consolidation and harmonisation (even if it was yet to advance). Associated with this, some broader reporting norms around materiality-led (rather than framework-led) reporting was evolving. There was less need (or direct stakeholder pressure) for the adoption of specific frameworks in their entirety. The increasing number of reporting managers, as a community, also represented a growing maturity within the field and provided practice-led support.

Of significance, however, is how this complexity would be managed by less experienced managers. Some approaching reporting for the first time (either as the reporting manager, or within an organisation considering this for the first time) would find a bewildering array of frameworks, norms, expectations and requirements. To this end, our study pointed to the need to consider first and foremost materiality – and what is deemed most important for the organisation, its stakeholders, and the issues it faces. There is also a sense that managers need to approach reporting strategically – both in considering how ESG issues fit within the organisation's current (and future) strategy, but also the strategic challenges the managers face. There is a sense that reporting provides value in telling the company's story and improving communication internally and externally. Focusing on these types of strategic outcomes provides a lens for navigating the frameworks available. All of our managers also pointed to the need for senior executives to be on board – as this aids in steering priorities for reporting activities. As organisations (and their reporting managers) grow in confidence, pragmatism also becomes important; not everything needs to be done at once.

The likely complexity for less experienced reporters points to a role for the accounting bodies. Practice guidance, and insight into process (rather than a new framework) is required. Less experienced managers need advice on how specific frameworks connect to strategic issues. For more experienced reporters, the accounting bodies can assist to advance conversations that connect risk to the organisation's overall profitability, forecasting future scenarios, and also to assist in operationalising measures and establishing indicators.

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APPENDIX 1: INTERVIEW QUESTIONS

1. Can you provide a snapshot of your background and role?
2. We understand that you are using XYZ frameworks. How did you decide on these frameworks?
3. Are you using other frameworks? Which ones?
4. Which elements/components/goals do you use from the frameworks?
5. If using the SDG framework, why are you using it?
6. How do you assess new ESG reporting frameworks/tools and determine if/how you will use them?
7. (Where) do you get advice/guidance from about which frameworks to use and how (much of them) to use them?
8. Who is involved in making the decision on the reporting frameworks?
9. What are the challenges/barriers/constraints for using these frameworks?
10. What advice would you give to other companies considering using these frameworks?
11. What are your future plans for ESG reporting?

APPENDIX 2:

SUMMARY OF FRAMEWORKS USED BY EACH ORGANISATION

Code	IR	GRI	SDGs	UNGC	TCFD	CDP	NGERS	GHG Protocol	SBT	IEA TDS	MP	NCOS	EMCS
INT1	✓	✓	✓	✓									
INT2	✓	✓	✓	✓	✓								
INT3	✓		✓		✓						✓		
INT4		✓	✓	✓	✓	✓							
INT5		✓	✓	✓	✓	✓							
INT6	✓	✓	✓	✓	✓				✓	✓			
INT7	✓		✓		✓	✓							
INT8	✓	✓	✓	✓	✓	✓	✓		✓			✓	
INT9	✓	✓	✓		✓								
INT10	✓	✓	✓		✓	✓							
INT11	✓	✓	✓										
INT12	✓		✓	✓								✓	
INT13		✓	✓	✓	✓	✓							
INT14	✓	✓	✓										
INT15	✓	✓	✓	✓	✓	✓	✓						
INT16		✓	✓	✓	✓	✓	✓						
INT17		✓	✓	✓	✓								
INT18		✓	✓	✓	✓	✓	✓	✓					
INT19		✓	✓		✓	Dropped	✓	✓					
INT20		✓	✓		✓	Dropped							
INT21		✓	✓		✓	✓	✓						
INT22		✓	✓	✓			✓	✓	✓				
INT23	✓	✓	✓	✓	✓	✓	✓						✓

Code	MS	LBG	WDI	UN WEP	WGEA	UN GPBHR	ASX Corp Gov Prin	BIA	JT	NPS	UDHR	ILO	KTC	CHRB
INT1														
INT2														
INT3			✓						✓					
INT4	✓					✓								
INT5	✓		Resisting	✓		✓					✓	✓	✓	✓
INT6						✓								
INT7														
INT8		✓		✓		✓	✓							
INT9	✓		✓											
INT10	✓	✓	Dropped											
INT11														
INT12	✓							✓						
INT13	✓													
INT14	✓													
INT15														
INT16														
INT17	✓	✓				✓								
INT18	✓				✓		✓	✓						
INT19	Future				✓									
INT20	✓				✓	✓	✓							
INT21	✓				✓			✓						
INT22	✓					✓	✓	✓		✓				
INT23														

INDUSTY FRAMEWORKS

Code	UFI	IGCC	ACA	AIST CGS	Members Outcome Test	PRI	EP	NABERS	GRESB	GS	LEED	ISCA	GR	BEAM	Envision USA
INT1															
INT2															
INT3						✓									
INT4	✓					✓									
INT5															
INT6															
INT7	✓	✓				✓									
INT8							✓								
INT9				✓	✓	✓									
INT10								✓	✓						
INT11															
INT12															
INT13							✓								
INT14															
INT15															
INT16								✓		✓	✓	✓	✓	✓	
INT17			✓						✓	✓					
INT18									✓			✓			✓
INT19						✓		✓							
INT20															
INT21												✓			
INT22															
INT23															

BENCHMARKS / RATINGS INDICES

Code	DJSI	FTSE4Good	MSCI	EL	Sustain-alytics	VIGEO	ISS	Ethibel	Barron's
INT1									
INT2									
INT3									
INT4									
INT5	✓								
INT6									
INT7									
INT8	✓								
INT9									
INT10	✓	✓	✓						
INT11									
INT12									
INT13	✓	✓							
INT14									
INT15	Dropped		✓		✓	✓	✓		
INT16	✓	✓							
INT17	✓	✓	✓	✓	✓				
INT18	✓	✓	✓					✓	
INT19	Dropped	✓							
INT20		✓							
INT21			✓		✓		✓		
INT22									
INT23	✓	✓	✓		✓				✓

ACA
Airport Carbon Accreditation

AIST CGC
Australian Institute of Superannuation Trustees Corporate Governance Code

ASX Corp Gov Prin
Australian Securities Exchange Corporate Governance Principles and Recommendations

Barron's
Barron's is an American weekly magazine/newspaper published by Dow Jones & Company, a division of News Corp.

BEAM
Building Environmental Assessment Method

BIA
B-Corp Impact Assessment

CDP
Carbon Disclosure Project

CHRB
The Corporate Human Rights Benchmark is a unique collaboration led by investors and civil society organisations dedicated to creating the first open and public benchmark of corporate human rights performance.

DJSI
Dow Jones Sustainability Index

EL
Equileap

EMCS
Ellen Macarthur Circularity Score

Envision
USA version of ISCA

EP
Equator Principles

GHG Protocol
Greenhouse Gas Protocol

GRESB
GRESB assesses and benchmarks the Environmental, Social and Governance (ESG) performance of real assets

GR
Greenroads (Greenroads International is an independent non-profit corporation which advances sustainability education and initiatives for transportation infrastructure)

GS
Green Star (part of The Green Building Council of Australia (GBCA))

IEA TDS
International Energy Agency 2-degree scenario

IGCC
Investor Group on Climate Change

ILO
ILOs Declaration of Fundamental Principles and Rights at Work

ISCA
Infrastructure Sustainability Council of Australia (the Infrastructure Sustainability (IS) Rating scheme facilitates the ratings of infrastructure projects and assets)

ISS
Institutional Shareholder Services (Identify & Track Companies with Superior ESG Performance)

JT
Just Transitions - Launched in February 2018, the project will link investors to the broad array of policy, place-based, community, labour and business efforts to deliver a just transition and explore ways of empowering community and labour groups to effectively engage with investors. It will provide a resource for leading investor initiatives and it will lay the foundations for long-term action by investors and others to ensure that the climate transition contributes to the wider Sustainable Development Goals.

KTC
KnowTheChain is a resource for companies and investors to understand and address forced labor risks within their global supply chains. Through benchmarking current corporate practices and providing practical resources that enable companies to operate more transparently and responsibly, KnowTheChain drives corporate action while also informing investor decisions.

LBG
London Benchmarking Group (corporate community investment)

LEED
Leadership in Energy and Environmental Design (the most widely used green building rating system in the world)

MP
Montreal Pledge (Co2)

MS
Modern Slavery

MSCI
Morgan Stanley Capital International Index

NABERS
National Australian Built Environment Rating System

NCOS
National Carbon Offset Standard (Certification Program)

NPS
Net Promoter Score

PRI
UN Principles for Responsible Investment

SBT(I)
Science Based Targets (Initiative)

TCFD
Taskforce on climate-related financial disclosures

UDHR
Universal Declaration of Human Rights

UNGC
UN Global Compact

UN GPBHR
UN guiding principles on business and human rights

UN WEP
UN Women's Empowerment Principles

UFI
UNEP Finance Initiative

VIGEO
Vigeo Eiris evaluates organisations' integration of social, environmental and governance factors into their strategies, operations and management

WDI
Workforce Disclosure Initiative

WGEA
Workplace Gender Equity Agency