

## The United Nations Sustainable Development Goals and corporate social responsibility reporting

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### **Project Description:**

This research project seeks to investigate three aspects of the relation between the United Nations Sustainable Development Goals (UN SDGs) and corporate social responsibility (CSR) reporting and performance. Firstly, how multinational enterprises (MNEs) and other companies, including SMEs, have integrated the UN SDGs in their mission statements, strategies, key performance measures, and communications with external stakeholders. Secondly, how they have used key performance indicators related to the UN SDGs in their CSR reporting since 2015. Thirdly, the level of assurance of their CSR reporting. The aim is to investigate the ways in which CSR and CSR reporting do, or do not, contribute to progress towards achieving the UN SDGs by 2030.

### ***The UN SDGs:***

In 2015, all United Nations (UN) member states adopted the 2030 Agenda for Sustainable Development (UN, 2015). At the core of the agenda are the UN Sustainable Development Goals (UN SDGs), which comprise 17 ambitious goals and 169 targets to be achieved by 2030. The aim is “to end poverty and set the world on a path of peace, prosperity and opportunity for all on a healthy planet” (UN 2020, p. 2). The UN SDGs complement the UN Global Compact’s ten principles, which were issued in 2008.

Van Zanten and van Tulder (2021, p. 1) state that, although all UN member states have committed to supporting the UN SDGs, “five years in, the outlook on the SDGs is bleak: recent assessments show that inequality is widening, hunger is on the rise, ecosystems are eroding at an alarming rate, and climate change threatens the entire SDG agenda”. According to the UN, “*The Sustainable Development Goals Report 2020* brings together the latest data to show us that, before the COVID-19 pandemic, progress remained uneven and we were not on track to meet the Goals by 2030” (UN, 2020, p. 2). After the COVID-19 pandemic, progress could be further hampered.

### ***Corporate social responsibility reporting (sustainability reporting):***

Over the past few years, various organisations, including the International Integrated Reporting Council (IIRC), the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) have developed sustainability reporting frameworks. In 2017, the UN Global Compact together with the Global Reporting Initiative (GRI) and PWC produced a report entitled *Business Reporting on the SDGs: An Analysis of the*

*Goals and Targets*<sup>1</sup>. Then, in 2018 the UN Global Compact and the GRI released *Integrating the Sustainable Development Goals into Corporate Reporting: A Practical Guide*<sup>2</sup>. Also, in 2018 the UN Global Compact together with the GRI and the Principles for Responsible Investment issued *In Focus: Addressing Investor Needs in Business Reporting on the SDGs*<sup>3</sup>. More recently, the IIRC and the Sustainability Accounting Standards Board (SASB) merged to form the *Value Reporting Foundation*, with the aim of providing a comprehensive suite of tools to assess, manage and communicate value (2020)<sup>4</sup>. The *Value Reporting Foundation* also intends to work closely with the IFRS Foundation and other leading framework providers and standard setters world-wide. Furthermore, the International Financial Reporting Standards (IFRS) Foundation has set up the International Sustainability Standards Board (ISSB) which is meant to sit next to the IASB.

### **The research:**

The research could focus on different topics within the three aspects of the project mentioned above, and may be conducted from different methodological perspectives, using different empirical research methods including quantitative methods. It could, for example:

- Investigate the inconsistency between companies' claims in sustainability reports referring to the UN SDGs and their effective actions. This could be based on a typology based on environmental performance and communication, such as the one suggested by Delmas and Burren (2011), or the CSR positions based on congruence between a company's external CSR communication and its actual internal CSR actions as identified by Ginder, Kwon and Byun (2021).
- Explore the relation between financial performance measures under the International Financial Reporting Standards (IFRS) and sustainability performance according to key performance indicators (KPIs) in sustainability reports with reference to specific UN SDGs in specific industries. For example, UN SDG 12 *Responsible consumption and production* in the automobile industry, clothing manufacturing and retail, computer hardware or software, or the advertising and marketing industries.
- Investigate how companies apply the GRI guidelines or the GRI standard and investigate the level of assurance. Such a project could build on the work on Integrated Reporting by Dumay *et al.* (2016), Dumay *et al.* (2017), Bernardi and Stark (2018) and Bernardi (2020).
- Investigate how companies measure and report on climate change risk. Such a project could build on Liu *et al.* (2021).
- Investigate how SMEs engage with the UN SDGs and sustainability reporting.

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<sup>1</sup> Available at: <https://www.unglobalcompact.org/library/5361>

<sup>2</sup> Available at: <https://www.unglobalcompact.org/library/5628>

<sup>3</sup> Available at: <https://www.unglobalcompact.org/library/5625>

<sup>4</sup> Available at: <https://www.integratedreporting.org/news/iirc-and-sasb-announce-intent-to-merge-in-major-step-towards-simplifying-the-corporate-reporting-system/>

## About the Supervisors:

**Dr Carien van Mourik** is senior lecturer in accounting. Her research interests are accounting theory, conceptual frameworks and anything to do with the public interest in accounting.

**Dr Cristiana Bernardi** is senior lecturer in accounting and financial management. Her research interests are sustainability reporting, climate change risk disclosure, child labour and Integrated Reporting.

**Dr Rodion Skovoroda** is senior lecturer in finance. His research interests are executive pay and managerial incentives with applications to Corporate Finance and Corporate Governance as well as international/applied economics such as Foreign Direct Investment and political risks.

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