

Sustainability Reporting: User and assurer perspectives

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Project Description:

A growing awareness of climate change, social inequality and corporate responsibility means that investors, regulators, and other stakeholders are demanding more transparency and consistency in how companies report their sustainability performance. Traditional annual reports, aimed at the investor community, have been criticised for failing to meet the information needs of stakeholders and for failing to recognise the growing importance of intangible assets (both within and outside an organisation's control) for value creation (Rinaldi et al., 2018). A variety of voluntary reporting bodies and frameworks have emerged to address this challenge, leading to a widespread awareness of the importance of sustainability reporting to stakeholders. Recently, there has been rapid consolidation of these bodies towards the development of a comprehensive global base of standardised, soon to be mandatory sustainability standards, with the formation of the International Sustainability Standards Board (ISSB) in 2021, a critical development.

The introduction of mandatory sustainability reporting standards will have many consequences, and rigorous academic research is necessary to fully understand these. The evidence that sustainability information is useful for investors is mixed (Cahan et al., 2016; Hahn & Lülfs, 2014). The role of the assurer as an intermediary between sustainability report preparers and users is also under the spotlight (Simnett et al., 2009; Steinmeier & Stich, 2019). The next five years will be critical in terms of sustainability reporting becoming institutionalised, and there are, therefore, several important research avenues to explore in this context, including but not limited to:

- The usefulness of sustainability report information to a broad range of stakeholders.
- The usefulness of integrated financial and non-financial information (including Integrated Reports) to a broad range of stakeholders.
- How report users interpret risk and materiality.
- How much reliance sustainability report users place on sustainability assurance.
- What skills are needed for sustainability assurance and the impact on the auditing profession in terms of skills development.
- How sustainability assurance practices have developed over time.

We envisage the research project to be flexible according to the interests and background of the PhD candidate. The supervisory team is open to both qualitative and quantitative research methodologies.

Expectation:

The doctorate is expected to develop specific research questions within this area and gradually develop three working papers over the period of three years that are publishable in internationally recognised academic journals.

It is hoped that the prospective candidate will demonstrate an interest in developing both a theoretical/conceptual and empirical contribution within this field.

Applicant Specification:

The candidate must express a keen interest in sustainability accounting research. Prior knowledge and experience in either qualitative and quantitative research methodologies is required, such as a past undergraduate or postgraduate dissertation.

About the Supervisors:

Cristiana Bernardi: Main research interest lies within the area of financial reporting, particularly in the information content of mandatory and voluntary disclosures concerning non-financial performance. Her current research is on climate change risk disclosure and sustainability within the cocoa supply chain. Another area of research she is focusing on concerns COVID-19 regulatory news communications.

Karin Shields: Research interests are in the use of accounting and its role in facilitating efficient capital allocation. She is particularly interested in whether sustainability reporting meets the information needs of market participants in the quest for net zero emissions. Her current research examines the importance of sustainability reporting to investors and financial analysts. This builds on prior research on the role of gender in information sharing and processing as well as the development of accounting regulation in the presence of lobbying

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