The Global Reporting Initiative's (GRI) Past, Present and Future: Critical reflections and a research agenda on sustainability reporting (standard-setting)

Charl de Villiers (corresponding author, charl.devilliersauckland.ac.nz)
The University of Auckland, and University of Pretoria

Matteo La Torre (matteo.latorre@unich.it)
Università "G. d'Annunzio" di Chieti-Pescara

Matteo Molinari
University of Kent

Please cite this paper as:
De Villiers, C., La Torre, M. & Molinari, M. 2022. The Global Reporting Initiative's (GRI) Past, Present and Future: Critical reflections and a research agenda on sustainability reporting (standard-setting), *Pacific Accounting Review*, forthcoming. DOI: 10.1108/PAR-02-2022-0034

Abstract

Purpose – The paper reflects on the future of sustainability reporting standards by examining the current practical initiatives and the Global Reporting Initiative's (GRI) position in the arena of non-financial and sustainability reporting, and identifies avenues for future research.

Design/methodology/approach – A critical reflection and analysis of research on the GRI's achievements and the influence of the IFRS Foundation's initiative to develop global sustainability reporting standards.

Findings – The GRI has a dominant position in sustainability reporting standard-setting related to the provision of information about the influence of reporting organisations on society and the natural environment. The IFRS Foundation's initiative to enter the sustainability reporting standard-setting arena, although from the perspective of providing information to investors regarding the influence of society and the environment on the reporting organisation, is an attempt to solidify its own position as the reporting standard setter of choice, not only for financial reporting, but for all reporting standards. However, despite its aim to differentiate its role from the GRI by leveraging the financial-oriented ideological side of double materiality, we argue that the IFRS is unlikely to harm the GRI's global position in producing multi-stakeholder standards for sustainability reporting and accountability. This differentiated position is facilitated by the different sources of legitimacy the GRI and IFRS rely on.

Originality – Due to the recent initiatives for creating new sustainability reporting standard-setters, this paper offers one of the first critical reflections on the past and the likely future of the GRI and its sustainability reporting standards. The paper also identifies several new avenues for future research.

Keywords: GRI; Sustainability Reporting Standards; ISSB; Standard-setting

1. Introduction

The GRI is one of the most acclaimed sustainability reporting standard-setting bodies, which has developed stakeholders-oriented reporting standards aimed at ensuring the disclosure of information that facilitate an understanding of how reporting organisations influence social and environmental matters. Recently, new sustainability reporting standard-setting bodies emerged to develop investor-oriented reporting standards, focusing on how social and environmental risks and opportunities influence the reporting organisation. Specifically, the International Financial Reporting Standards (IFRS) Foundation has become involved and has taken over several of these investor-oriented sustainability standard-setting bodies under the banner of the IFRS Foundation's International Sustainability Standards Board (ISSB). While the GRI did not initially engage with the IFRS Foundation, it recently signed a collaboration agreement with the ISSB to coordinate their work programmes and standard-setting activities to connect capital market and multi-stakeholder standards (IFRS, 2022a).

These developments prompt a reflection on the GRI's achievements and its likely future in the sustainability reporting standards arena. In turn, the current changes in sustainability standard-setting, and the entry of the IFRS/ISSB, are likely to provide novel research opportunities and practical implications. Therefore, this paper draws upon the recent call for global standards for sustainability reporting and the ongoing changes in sustainability reporting standard-setting, including the regulatory initiatives and the *de facto* reporting standards aimed at harmonising sustainability reporting (La Torre, Sabelfeld *et al.*, 2020; De Villiers et al., 2022a).

The GRI standards have played a leading role in the development of voluntary sustainability reporting before mandatory requirements for non-financial disclosure (Carungu *et al.*, 2022). While the EU Directive 95/2014 was an attempt to pursue the comparability of non-financial and sustainability information, it revealed some limits in establishing mandatory standards for non-financial and sustainability reporting (La Torre *et al.*, 2018). For instance, there is still a lack of common consensus among standard-setters, regulators, and preparers on global standards and reporting guidelines, and the discretion companies have to adopt reporting guidelines, renders this reporting initiative ineffective in affecting change or improving comparability (La Torre *et al.*, 2018). Reporting frameworks need to complement each other to build a comprehensible infrastructure for corporate reporting on non-financial aspects (La Torre *et al.*, 2018). Yet, the current regulatory drive toward mandatory adoption of sustainability reporting suggests the need for a commonly accepted framework or standards.

Although there are initiatives to mandate sustainability disclosures in many jurisdictions, including the US and New Zealand, the European context provides an example of these regulatory initiatives. In 2020, the European Commission mandated the European Financial Reporting Advisory Group (EFRAG) to start working toward European Union (EU) non-financial or sustainability reporting standards, revising the EU Directive (n. 95/2014) on non-financial reporting (EFRAG, 2020). In March 2021, an EFRAG report outlined how EU sustainability reporting standards will be developed through an inclusive, consultative and rigorous process. In April 2021, the European Commission proposed a Corporate Sustainability Reporting Directive, which would oblige organisations to comply with the standards.

EFRAG's public consultation processes are ongoing, and its initiatives will establish unified sustainability reporting standards for the EU block, and for many companies from outside the block that trade with the EU.

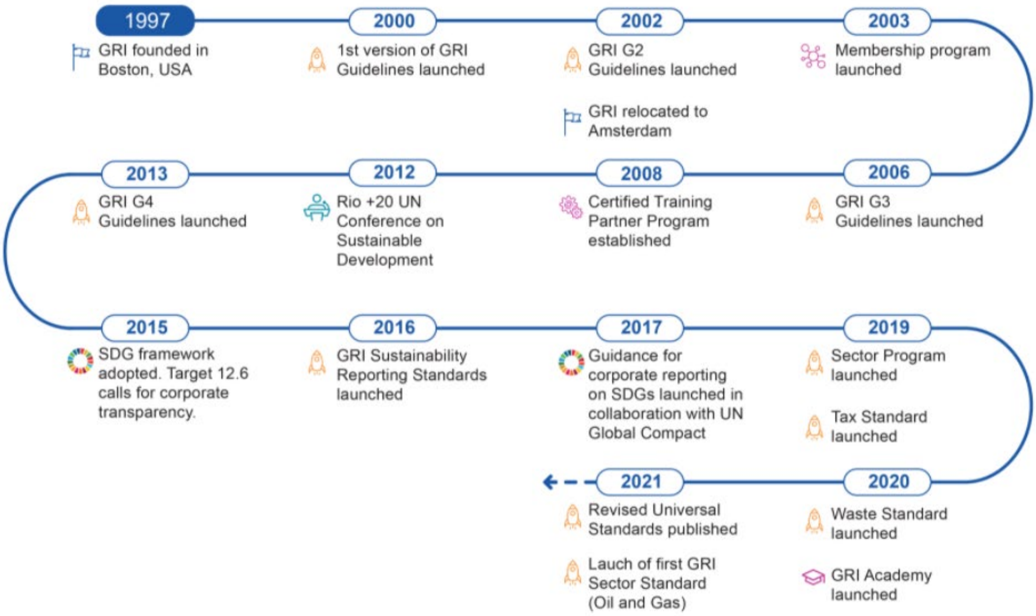
Motivated by these regulatory pressures and the changes to the standard-setting landscape, and the entrance of the IFRS/ISSB, this paper provides a novel reflection on the future of the GRI and its sustainability reporting standards. The paper examines the GRI's current initiatives and its position in the field of sustainability reporting standard-setting. We identify and discuss the challenges and practical shortcomings of the GRI from the recent accounting research literature. We also analyse and discuss the IFRS/ISSB's involvement in sustainability standard-setting and the likely effect thereof on the GRI's position and the future of sustainability accounting standards. In addition, we identify new opportunities for future research on sustainability reporting and its standard-setting environment.

The remainder of this paper is structured as follows. Section 2 summarises the GRI's story and its function in sustainability reporting practice. Section 3 reviews and discusses the most relevant research on GRI. Section 4 analyses the IFRS Foundation's initiative and its likely impact on GRI and corporate sustainability reporting and accountability. We identify some avenues for future research in section 5, while concluding the paper in section 6.

2. The GRI's position in sustainability and non-financial reporting

GRI is an independent international organisation, established in 1997 as a joint initiative of the Coalition for Environmentally Responsible Economies, an American non-government organisation, and the United Nations Environmental Programme. The GRI's primary purpose was to set the first accountability mechanism to guarantee organisations adhere to responsible environmental principles, which were then broadened to include social, economic and governance issues (GRI, 2022d). Over time, GRI has further developed its reporting guidelines/standards throughout the timeline shown in Figure 1.

Figure 1: *History of the GRI*



Source: GRI (2022b).

In 2000, the GRI published the first version of its guidelines, which was the first international framework for comprehensive corporate sustainability reporting with a particular focus on environmental matters (GRI, 2022a). Thereafter, GRI G1 Guidelines (2000), GRI G2 Guidelines (2002), GRI G3 Guidelines (2006), GRI G3.1 (2011), and GRI G4 (2013) were developed to embrace economic, social, and ethical issues. In 2016, the GRI's Global Sustainability Standards Board issued the first global standards, including all the main concepts of the previous guidelines, improved with a more flexible structure, clearer requirements and a more straightforward language. These standards configure a set of modular reporting guidelines to support organisations in communicating the impacts of their activities on economic growth, society, and the environment (GRI, 2022b). According to the GRI (2022a), its standards aimed to:

> *"create a common language for organisations and stakeholders, with which the economic, environmental, and social impacts of organisations can be communicated and understood. The Standards are designed to enhance the global comparability and quality of information on these impacts, thereby enabling greater transparency and accountability of organisations".*

These standards continue to be updated and added to, including new Topic Standards on Tax (2019) and Waste (2020).

The GRI provides a list of corporate reporting features to be included in non-financial statements and sustainability reports. The new structure consists of 36 Standards into Universal Standards and Topic-Specific Standards. The Universal Standards enclose "100 series", containing three of 36 Standards, i.e. GRI 101 on Foundation, GRI 102 on General Disclosure, and GRI 103 on Management Approach. The Topic-Specific Standards embrace "200 series" on economic issues, “300 series” on environmental issues, and “400 series” on social issues. These series detail the disclosures related to the organisation’s impacts on economic, environmental, and social issues, and the use of qualitative and quantitative indicators to measure such impacts (Molinari and Carungu, 2019). Furthermore, the GRI standards acknowledge the importance of the stakeholder engagement process to identify the stakeholders and their needs, and the material social and environmental topics to be reported in the non-financial reports.

Organisations can adopt GRI standards for non-financial reports by choosing between Core or Comprehensive options (GRI, 2022c). The first option allows disclosing some topics of GRI 102 on General Disclosure, the organisation’s compliance with GRI 103 on Management Approach reporting requirements, and the reporting of at least one topic-specific disclosure. The second option requires all disclosures from GRI 102, compliance with all GRI reporting requirements, and all topic-specific disclosures related to material issues. However, organisations can use a mixed-option, i.e. the ‘GRI-referenced’. This option allows organisations to select specific standards or portions of their content. Accordingly, the flexibility of this international framework provides practical benefits in sustainability and non-financial reporting (Buhr *et al.*, 2014).

According to Allen White, co-founder and former CEO of the GRI, the main challenges of GRI rely on mobilising

> *“people with seemingly disparate interests around a public good. The key challenge is to adhere to a policy of inclusiveness and to find a place for each and every person who seeks to, or should, contribute. This is the path to both legitimacy as well as innovation. It is the power of the collective mind of diverse individuals that was, and remains, the soul of GRI” (Waddock and White 2007, p. 41).*

Accordingly, GRI’s structure, the community of practice it has developed, and the efforts for integrating insights from its stakeholders are all aligned to boost inclusiveness and cooperation among reporting preparers (Etzion and Ferraro, 2010).

Since its initial implementation, the GRI has gained extensive attention from organisations worldwide and has become an international sustainability reporting framework (Federation of European Accountants, 2016). The KPMG (2017) survey provides further evidence on the high popularity of GRI standards among organisations. For instance, in 2016, 63% of the top 100 organisations worldwide (N100) and 75% of the world’s 250 largest organisations (G250) by revenue based on the Fortune 500 ranking have adopted the GRI framework for their sustainability reports (KPMG, 2017). The KPMG (2020) survey confirms the dominant position of GRI as a global reporting standard, with an increasing number of organisations using GRI in 2020 compared with 2017. This ongoing effort has facilitated GRI in championing the institutional field of sustainability reporting. Consequently, many large organisations worldwide are engaged in accountability and sustainability practices, and this motivated other organisations to undertake a mimetic approach and take up the same direction (Carungu *et al.*, 2019).

Accordingly, corporate reporting represents an essential vehicle for organisations to communicate with stakeholders and pursue their accountability commitment (Busco *et al.*, 2013; Lombardi and Secundo, 2020). This process of communication and accountability affects a broad range of constituents, such as standard-setters, regulators, policymakers, investors, and society (Federation of European Accountants, 2016; La Torre *et al.*, 2020). The rise of the stakeholder audience leads to the compelling need to better understand organisations' longer-term value drivers, expectations and risks, including their impact on the environment and society, and it requires a rethinking of corporate reporting (Adams and McNicholas, 2007; Busco *et al.*, 2013; Hopwood, 2009). Within this context, sustainability and non-financial reporting have characterised significant steps in developing corporate reporting practice from traditional financial reporting (Campra *et al.*, 2020; Perrini, 2006; La Torre *et al.*, 2018; Uyar, 2016).

The need for shared knowledge regarding non-financial reporting practices has prompted regulators to standardise corporate reporting practices (Biondi, 2020; La Torre *et al.*, 2018; 2020). For example, within the European context, the Directive 2014/95/EU on reporting non-financial and diversity information represents a crucial step to improve corporate transparency and accountability on social and environmental issues across Europe. The EU Directive is an example of a systematic process aimed at harmonising corporate reporting practices, improving comparability of information, and meeting stakeholders' needs (Aureli *et al.*, 2020; La Torre *et al.*, 2018; Veltri, 2020). Specifically, paragraph no. 9 of the EU Directive mentions some Union-based and international frameworks and guidelines that organisations may consider for preparing their non-financial reports, such as Eco-Management and Audit Scheme (EMAS), United Nations (UN) Global Compact Guiding Principles on Business and Human Rights, Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, International Organisation for Standardisation's ISO 26000, and GRI Standards. However, despite acknowledging this multitude of frameworks and guidelines for sustainability reporting, the still GRI enjoys wide global acceptance and adoption among a broad range of stakeholders.

3. The GRI's challenges and practical shortcomings: insights from research

While prior research has been interested in understanding the GRI's capability to foster and enhance accountability, a piece of the literature has critiqued and highlighted its practical challenges in this task. GRI stresses how to enhance accountability for an organisation's impact on sustainable development, which assumes particular relevance for investors, national governments, customers, and other employees (Adams *et al.*, 2022). Miles (2011) stated that the GRI standards allow organisations to analyse how to integrate sustainability issues into business operations, track progress, and address stakeholder information needs. However, the GRI framework and guidelines are still perceived as demanding.

Academic research reveals how the multi-stakeholder input to the GRI Standards, and consequently reputation amongst stakeholders, is a key reason for wide corporate adoption of the GRI Standards (Adams *et al.*, 2022). However, a review of accounting literature focused on the GRI shows some ongoing shortcomings and challenges with implementing GRI Standards in practice (Habib, 2022; Massaro et al., 2016; Moses et al 2020; Moses and Hopper, 2022). For instance, limited resources employed (Tauringana, 2020) and low emphasis on sustainability reporting by governments (Halkos and Nomikos, 2021) discourage the reliance on GRI for sustainability reporting. Thus, organisations operating in industries, such as electricity, retail, food, and the cruise industry (Roca and Searcy, 2012; Font *et al.*, 2016), and small and medium-sized enterprises (SMEs), are struggling to implement GRI Standards (Sampong *et al.*, 2018).

Many organisations consider the GRI's reliance on accountability as a costly activity (Safari and Areeb, 2020). Research also warns about sustainability reporting preparers' issues. Particularly, middle and staff management layers are still struggling with sustainability reporting demands and are still developing the required skills (Adams *et al.*, 2022). Thus, there is a call for future research investigating the quality and levels of such accountability in the aftermath of calls to simplify sustainability reporting and prioritise the information needs of a broader audience (Adams and Abhaywansa, 2022). This unavoidably involves the recent developments in sustainability standard-setting and their ability to enhance sustainability learning processes, disclosures, accountability, and attention to performance.

GRI standards and guidelines support organisations to recognise material sustainability issues leading to improved sustainability performance and sustainability reporting quality (Chen *et al.*, 2015). Font *et al.* (2016) suggest that GRI guidelines should be adopted to identify material sustainability topics and assist organisations in understanding stakeholders' needs. Calabrese *et al.* (2016) find that GRI guidelines can help SMEs identify which sustainability topics should be prioritised. However, recent research points out how the materiality concept in GRI standards remains unclear for some organisations. Garcia-Torea *et al.* (2020) state that guidance on how GRI principles may be applied would be beneficial. In this regard, GRI provides practical examples of tools for identifying sustainability reporting content but does not clarify how to employ those tools, so representing an obstacle in identifying material issues properly (Garcia-Torea *et al.*, 2020).

Of course, GRI standards helped organisations understand what material information should report. Yet, companies also require more clarity on the indicators to measure sustainability material issues. Some organisations still fail to identify and disclose all material issues due to contradictory interpretations of GRI indicators and a lack of consistency in the materiality assessment (Machado *et al.*, 2021). Although GRI standards are commonly applied by different organisations operating in different industries and developing country contexts (Adams et al., 2021; Dissanayake, 2020; Fonseca et al., 2014), there is still an unsatisfactory level of understanding of multiple standards and indicators among report preparers (Slacik and Greiling, 2020). For instance, Toppinen and Korhonen-Kurki (2013) criticise the ambiguity in defining the GRI indicators. As a result, organisations focus more on complying with GRI indicators, rather than considering the practical meaning of GRI standards; in turn, the substance of disclosing sustainability and non-financial information to address stakeholders' expectations (Safari and Areeb, 2020). Consequently, GRI standards should still incorporate additional indicators in line with the specific country and industry in which organisations operate (Adams *et al.*, 2022; De Villiers and Lubbe, 2001).

Unfortunately, GRI is not used appropriately, and many organisations do not yet benefit from the disclosure's full potential. Research has advised that GRI standards struggle to provide insightful methods to support sustainability reporting preparers to disclose sustainability issues (Adams *et al.*, 2022). This practical shortfall also lies in the GRI discretionary adoption. Notably, organisations tend to selectively disclose non-financial information, which may manipulate stakeholders' perceptions towards organisational risk and performance. This approach decreases the GRI standards' effectiveness with the consequent lack of sufficient resources dedicated to sustainability reporting. Thus, while acknowledging the GRI's global position in sustainability reporting standards, there is still concern about its adoption and reliability due to the lack of mandatory power coming from the regulations.

The reliability issue of sustainability information also relates to the assurance practice domain. Assurance-related issues raise concerns among practitioners. For instance, more policy requirements regarding external assurance are needed to increase sustainability reporting quality (Badia *et al.*, 2020). Accordingly, GRI could contribute to identifying the criteria to be prioritised by sustainability assurance providers and how these criteria should be applied. Notably, more substantial assurance should be encouraged on concerns neglected by sustainability assurance providers, such as the sustainability context, reporting balance, and information comparability (Boiral *et al.*, 2019). However, there is limited evidence on organisations adopting GRI standards and providing more balanced, comparable and precise information for assurance needs (Boiral *et al.*, 2019). Michelon *et al.* (2015) examined GRI reporting practice in line with disclosure quality, determined by the dimensions of content, type and managerial orientation. They show that the assurance and reporting guidance does not ensure higher quality information as these practices are perceived as symbolic activities to increase the perceived accountability.

Despite these practical issues, the GRI standards evolved to meet the emerging global challenges, such as climate change, the development of new technologies, economic inequality and the world population, and the transition to a sustainable economy (GRI, 2022d). For instance, the GRI created the 'Sustainability and Reporting 2025' project to discuss the type of information needed to deal with these global issues and discuss the role of technology in enabling organisations and stakeholders to collect, check, analyse, and manage non-financial data appropriately (Fiandrino, 2019). Moreover, GRI's ongoing work to improve the quality of reporting includes the 2021 revision to the Universal Standards and issuing Standards Interpretations and sector supplements.

Crucial to this goal is the increased understanding of external assurance and internal processes, such as the process of determining material issues. To support this effort, GRI has recently established a Global Standards Fund to ensure the continuous independent and multi-stakeholder development of the GRI standards, global advocacy to drive commitment of the standards, further development of the sector program and the sector standards fine-tuned to identify sectors' most substantial impacts and reflect stakeholder expectations for sustainability reporting, and a 'free public good' status of the GRI Standards available to all organisations

(GRI, 2022c). However, there is ongoing debate on the need for convergence of sustainability reporting and non-financial reporting frameworks (Accountancy Europe, 2020), including the IFRS Foundation's Consultation Paper on Sustainability Reporting that argue that there is a need for the IFRS/ISSB to play a role in convergence. In March 2022, the IFRS/ISSB published exposure drafts IFRS S1 "*General Requirements for Disclosure of Sustainability-related Financial Information*" and IFRS S2 "*Climate-related Disclosures*". These developments could challenge the GRI's role as a key player in sustainability standard-setting. Given these developments, we critically reflect on the GRI's position and sustainability reporting development in the future.

4. How the IFRS Foundation's involvement in sustainability reporting standard-setting is likely to influence the GRI

While the GRI has a long-standing and established leadership in the landscape of sustainability reporting standards and guidelines, over the last year, we witnessed an increasing competition among standards setters and international organisations/authorities in producing new frameworks and guidelines for non-financial and sustainability reporting. The IIRC's (International Integrated Reporting Council) initiative was an example (De Villiers et al., 2020). Yet, despite the efforts to promote and legitimate the integrated reporting framework (La Torre, Dumay, *et al.*, 2020), its fate seems to have been foretold by Flower (2015), with the recent merge into the Value Reporting Foundation and now the ISSB's initiatives.

La Torre *et al.* (2018) focus their discussion on the increasing numbers of competing instruments for non-financial reporting produced in the last years. They argue that "as long as the organisations touting different competing frameworks jockey against each other for a leading global position", they will hardly achieve or promote sustainable development (La Torre *et al.* 2018, p. 610). Meanwhile, other standards and guidelines have been introduced or promoted worldwide, such as those of the Task Force on Climate-related Financial Disclosures, the Value Reporting Foundation and the UN Global Compact. These initiatives contributed to changing the arena of sustainability reporting *de-facto* standards and occupy particular niches of its space, such as that one about the climate information. Thus, albeit the GRI's standards and guidelines remain the most widespread sustainability reporting frameworks worldwide, these further initiatives attempted to conquer a piece of the jurisdiction in the growing field of sustainability accounting and reporting practices.

This is the case with the recent IFRS Foundation's initiative to create new sustainability reporting standards. Our interest in the IFRS Foundation's initiative is motivated by its potential influence on the sustainability reporting standard-setting arena and its novel interest in entering this field. Over the last 20 years, the IFRS Foundation and its IASB (International Accounting Standards Board) has had an established and significant role in creating generally accepted standards for financial accounting and reporting worldwide and in Europe specifically. In September 2020, the IFRS Foundation's Trustee published a "Consultation Paper on Sustainability Reporting", representing its first attempt to enter the sustainability reporting practice field (IFRS Foundation, 2020).

As stated in the document, the consultation paper was created "to identify the demand from stakeholders in the area of sustainability reporting and understand what the Foundation could do in response to that demand" (IFRS Foundation, 2020, p. 4). The consultation paper was constructed around three main questions:

> *"Is there a need for a global set of internationally recognised sustainability reporting standards?*
>
> *If yes, should the IFRS Foundation play a role in setting these standards and expand its standard-setting activities into this area?*
>
> *If not, what approach should be adopted?" (IFRS Foundation 2020, p.14)*

While answering the first question was taken for granted and known, there was also an implicit response to the second one. The IFRS idea was already to create a standard setting body for sustainability reporting. This sustainability standards board should work to achieve coherence and comparability by developing global sustainability standards (IFRS Foundation, 2020, p. 8). Accordingly, in November 2021, the IFRS Foundation Trustees created and announced the new International Sustainability Standards Board (ISSB) in response to this demand[i].

The rationale of the consultation was to achieve legitimacy for operating as an international standard-setter for sustainability reporting. As demonstrated in previous research, public consultation usually operates as a strategy to get legitimacy and persuade the public about the need for the new institution and standard setter (Durocher *et al.*, 2007; Richardson and Eberlein, 2011; La Torre, Dumay, *et al.*, 2020). Due to the "growing calls for the urgent need for further consistency in reporting and comparable information", the IFRS Foundation explains that the best option would be creating a new Sustainability Standards Board working upon the existing initiatives instead of maintaining the status quo or facilitating the existing initiatives (IFRS Foundation, 2020, p. 8). This option would better contribute to "reducing complexity and achieving comparability in sustainability reporting" (IFRS Foundation, 2020, p. 8). This was the main subject of consultation as this latter aimed to "understand whether demand is sufficient to create such a standard-setting body (see the section, Requirements for Success)" (IFRS Foundation, 2020, p. 8).

The IFRS Foundation argued that its action is needed to harmonise sustainability reporting as it is done for financial accounting standards for the benefit of preparers and stakeholders. As stated in the consultation paper:

> *"The IFRS Foundation action could lead to an approach that seeks to harmonise and streamline sustainability reporting, which could benefit stakeholders of the IFRS Foundation and benefit sustainability reporting." (IFRS Foundation, 2020, p. 8)*

Additionally, as ISSB could work alongside the IASB, "stakeholders could also benefit if a single organisation developed requirements in financial reporting and sustainability reporting", reducing complexity (IFRS Foundation, 2020, p. 8). Yet, once again, harmonisation is used again as a rhetorical argument for legitimate the IFRS's initiative by leveraging the synergy with the IASB's authority (La Torre *et al.*, 2018). Thus, despite having no experience in the field of sustainability reporting, the IFRS Foundation is seeking to extend its existing jurisdiction in the international financial accounting standards-setting toward the field of sustainability reporting and accounting. Nevertheless, here we question: why do we need another sustainability reporting standards setter since the GRI already has the expertise and global leadership with its standards and guidelines for sustainability reporting?

In the following subsections, we examine the rationale motivating the IFRS Foundation's action of extending its jurisdiction over the boundaries of financial accounting standard-setting. At the same time, we discuss how this action can influence the GRI role.

4.1 The double materiality inscription and its ideological conflict

Behind the IFRS Foundation's initiative, there is an interest in the rapid growth of sustainability and climate disclosure and its related business opportunities. For example, in Europe, such an interest is also boosted by the recent regulatory initiatives for making sustainability reporting mandatory. The EU Directive (n. 2014/95) for reporting non-financial information is proof. The EU Directive aims to harmonise non-financial and sustainability reporting practices among large European companies by establishing minimal reporting requirements (La Torre *et al.*, 2018). It also unveiled the need for globally accepted sustainability reporting standards as much as it allows companies to adopt one or more global and local reporting standards/guidelines (La Torre *et al.*, 2018). However, the IFRS Foundation's initiative for operating as a sustainability reporting standards setter is not only a response to this need. Instead, it is reasonably motivated by the strategic action to leverage the ideological regulatory attempt to make corporate sustainability information more linked and related to corporate financial accounting and reporting.

The IFRS Foundation's ISSB is both a diver and a result of financial accounting capture of sustainability reporting. The ISSB seems more interested only in the sustainability disclosure that has implications for financial performance and is material for investors. The ISSB's exposure draft of "*General Requirements for Disclosure of Sustainability-related Financial Information*" confirms this interest by stating that

> *"The objective of [draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information is to require an entity to disclose information about its significant sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reporting when they assess enterprise value and decide whether to provide resources to the entity" (IFRS Foundation, 2022b)*

Thus, the ISSB's standard-setting seems to be more concerned with the financial information and financial value coming from the sustainability risks than the sustainability information itself. This will likely privilege the investors-oriented perspective in reporting sustainability information.

We can also see such financial capture in the most recent initiatives for revising the non-financial reporting regulation in Europe. While the European Commission issued the EU Directive on non-financial reporting to make social and environmental reporting mandatory, it launched the process to amend this regulation in 2019 with a Proposal for a Corporate Sustainability Reporting Directive (CSRD) (European Commission, 2021). This Proposal aims to extend sustainability/non-financial reporting adoption and its assurance practices, while introducing more detailed reporting requirements.

Among its novelties, it also introduces the principle of double materiality (European Commission, 2021). The Proposal argues the need to ground non-financial reporting practices on the "double materiality perspective", which should help companies establish the material information to be reported. It clarifies that "double materiality" will be able to:

> *"removing any ambiguity about the fact that companies should report information necessary to understand how sustainability matters affect them, and information necessary to understand the impact they have on people and the environment." (European Commission, 2021, p. 13)*

Based on the GRI's standards, the materiality assessment for sustainability reporting requires an extensive process of stakeholders' engagement and assessment of material topics based on both their significance for the social and environmental impacts and their influence on the stakeholders. This assessment process aims to prioritise these topics, which should be reported in the sustainability report. However, double materiality requires a different approach compared to the one used to apply the GRI concept of materiality (Adams *et al.* 2021).

The double materiality perspective establishes that social and environmental issues and information should be assessed through both an "outside-in perspective", about their effects on companies' financial performance, and an 'inside-out' perspective concerning the impacts on the environment and society (European Commission, 2021, p. 1). Thereby, the double materiality encloses an ideological conflict between the investors' financial interests and other stakeholders' needs.

The double materiality encloses the inscription of stakeholders' interests that are hard to balance, and its trade-off may advantage, once again, the financial interest at the cost of sustainable development. Prior research demonstrates that companies tend to prioritise financial performance and investors' interests (Adams *et al.*, 2021; La Torre, Sabelfeld, *et al.*, 2020). La Torre, Sabelfeld, *et al.* (2020, p. 718) argue that the double materiality "may result in a risk management-oriented approach to stakeholder engagement that has nothing to do with broad corporate accountability to stakeholders". They explain that:

> *"with the double materiality perspective, the risk remains that social and environmental materiality may be used only to assess social and environmental risks to preserve the company's financial value as companies continue to privilege financial sustainability over social and environmental sustainability." (La Torre, Sabelfeld et al., 2020, p. 715)*

Thus, the double materiality may cause the financial capture of sustainability reporting, so reducing its broad accountability potential.

Accordingly, IFRS Foundation catches on to this opportunity coming from the double materiality perspective and may emphasise the risk of financial capture for sustainability reporting practice. In the IFRS Foundation's consultation paper, it reads (IFRS Foundation, 2020, p. 14):

> *"For the SSB to commence with a double-materiality approach would substantially increase the complexity of the task and could potentially impact or delay the adoption of the standards. Therefore, a gradualist approach is recommended. If established, the SSB would initially focus its efforts on the sustainability information most relevant to investors and other market participants. Such information would more closely connect with the current focus of the IASB."*
>
> *"if more jurisdictions embrace the double-materiality concept to minimise the risks of global and jurisdictional fragmentation of standards."*

Thus, IFRS Foundation's ISSB will work primarily to produce sustainability standards for reporting information about the social and environmental effects on the reporting entity, their financial performance and the enterprise value (IFRS Foundation, 2020, p. 13; IFRS Foundation 2022b). This will privilege investors and other capital market participants, as the primary audience of financial reporting (IFRS Foundation, 2020, p. 13). The ISSB was finally constituted with the formal purpose of "developing a set of sustainability disclosure standards" to produce "sustainability disclosure that is useful to investors and other participants in the world's capital markets in making economic decisions" (IFRS Foundation, 2021). Thereby, the ISSB sustainability standards aim to be only about reporting financial-related sustainability information, as confirmed in the first exposure draft IFRS/S1 (IFRS Foundation, 2022b).

Accordingly, as argued above, we can see the IFRS Foundation's position matching with and benefits from the first ("outside-in") perspective of double materiality, which is only about the financial effects of social and environmental issues. Meanwhile, it cannot replace the leadership role of GRI and its sustainability reporting standards, which are grounded on a multi-stakeholder approach and able to unfold the "inside-out" perspective of double materiality and broader corporate accountability. Therefore, for the IFRS Foundation, the double materiality was arguably a means, and justification, to enter the sustainability reporting field, defend their jurisdiction in financial reporting standard-setting, and conquer a new one without conflicting with the GRI position.

The GRI and the ISSB currently occupy two different positions in the sustainability reporting standard-setting arena. As stated, the ISSB aims to provide standards for investors-oriented sustainability disclosure that can have financial implications for the entities. The recent collaboration agreement between the IFRS Foundation and the GRI aims to pursue the following purpose [i]:

> *"ensuring compatibility and interconnectedness of investor-focused baseline sustainability information that meets the needs of the capital markets, with information intended to serve the needs of a broader range of stakeholders. […] aligning where possible their respective work programmes, terminology and guidance, helping to reduce the reporting burden for companies and to further harmonise the sustainability reporting landscape at an international level."*

It recognises that:

> *"the IFRS Foundation and GRI provide two 'pillars' of international sustainability reporting—a first pillar representing investor-focused capital market standards of IFRS Sustainability Disclosure Standards developed by the ISSB, and a second pillar of GRI sustainability reporting requirements set by the GSSB, compatible with the first, designed to meet multi-stakeholder needs."*

Thus, we can expect that the GRI standards will keep maintaining a distinguished global position as the primary standards for multi-stakeholder sustainability reporting. Yet, the open question is about whether the influence of the IFRS Foundation's sustainability-related disclosure standards will prevail over the GRI multi-stakeholder approach in companies' sustainability reporting practices.

4.2 Source of legitimacy: Structural power and legitimacy from the market

While ISSB adjusted its position to differentiate it from the GRI, the second factor than can explain the ISSB's and the GRI's future success and their different jurisdictions in the sustainability reporting standard-setting arena is about their different source of legitimacy. As argued above, the IFRS Foundation's consultation paper was to get legitimacy from its main stakeholders to operate as a sustainability disclosure standard-setter. The IFRS Foundation's consultation paper highlights that a requirement for success is:

> *"achieving a sufficient level of global support from public authorities, global regulators and market stakeholders, including investors and preparers, in key markets"(IFRS Foundation, 2020, p. 9)*

Thus, while the GRI has already a strong legitimacy coming from its widespread adoption and the GRI adopters over the decades, the ISSB still have to get its legitimacy by demonstrating that its action is desirable, proper and appropriate (Suchman, 1995).

Nevertheless, it is worth noting that, despite the global diffusion, the GRI was not able to establish a mandatory adoption of its standards over its decades of work. This may likely be explained by a different regulatory context characterizing the past two decades and the level of institutionalisation of sustainability reporting practices. Instead, the IFRS Foundation's ISSB entered the scene in a favourable context by leveraging the regulatory push and global need for an international standards setter for sustainability reporting. In its Proposal, the European Commission (2021) highlights that:

> *"Many stakeholders stressed that if the EU develops sustainability reporting standards, it should build on and be consistent with international standard-setting initiatives." (p. 17)*

Thus, IFRS Foundation can benefit from this regulatory need and its global structure in financial reporting standard-setting as much that, in its consultation paper, attempt to convince the public of the need for ISSB by arguing:

> *"Stakeholders could also benefit if a single organisation developed requirements in financial reporting and sustainability reporting."* (IFRS Foundation, 2020, p. 9)

Yet, *ceteris paribus*, the GRI can also meet this demand for operating as a global sustainability standard-setter, so receiving the regulatory endorsement. The difference from the IFRS Foundation lies in the different legitimacy they can use.

In its attempt to enter the sustainability reporting field, the IFRS Foundation seems to get its legitimacy by relying on its structural legitimacy. Structural legitimacy allows "audiences [to] see the organisation as valuable and worthy of support because its structural characteristics locate it within a morally favoured taxonomic category" (Suchman, 1995, p. 581). Structures are indicators of the organisation's socially constructed capacity to perform specific work and convey the message that is acting on collectively valued purposes properly (Suchman, 1995). Structures can be, for example, the procedures that become the valued proxy for judging the organisation's operation (Suchman, 1995).

Similarly, the IFRS Foundation seeks to persuade its audience that it is the right global standard-setter for sustainability reporting:

> *"The IFRS Foundation's three-tier governance structure could be effectively used for the creation of an SSB. This structure consists of an independent standard-setting board of experts governed and overseen by a global set of Trustees who, in turn, are accountable to a monitoring board of public authorities, the IFRS Foundation Monitoring Board. The Monitoring Board provides a formal link between the Trustees and public authorities to enhance the public accountability of the IFRS Foundation."*

Accordingly, by showing its structure, procedural setting and ties with regulators and authorities, the IFRS Foundation seeks to demonstrate that it is the right organisation to govern the global sustainability standard-setting procedures. As Suchman (1995, p. 581) argues, a "structurally legitimate organisation becomes a repository of public confidence because it is 'the right organisation for the job'". Thus, the IFRS Foundation leverage its structural legitimacy by benefiting from its structural power and institutional endorsement in global accounting standard-setting. However, this "sense of rightness" has more to do with the organisation's identity and less with demonstrating its competence (Suchman, 1995).

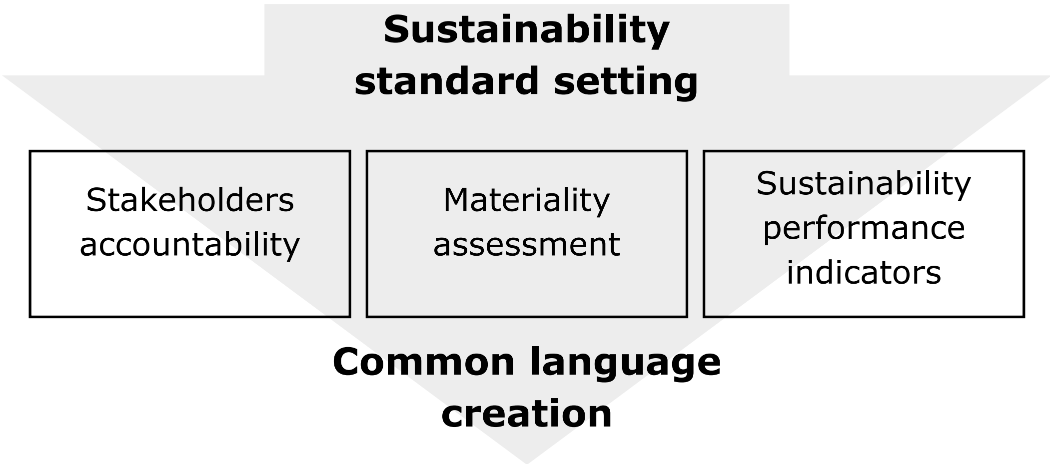
The GRI, instead, can benefit from a well-established consequential legitimacy, through which an organisation "should be judged by what they accomplish" (Suchman, 1995, p. 580). For example, through consequential legitimacy, an organisation is judged upon the value and quality of the products (outputs) it produces, which determines its reward. These technical characteristics are not objective and, instead, are socially constructed in the society's texture (Suchman, 1995). The GRI's consequential legitimacy results from the widespread adoption of its reporting standards and guidelines and their adopters' judgement about what it was able to accomplish over the two decades. This legitimacy from the markets can confer the GRI the proper competence and reputation to act as a global sustainability standard-setter. Instead, the ISSB will keep relying on its structural power until it can demonstrate the superiority of its sustainability standards. In the meantime, however, the main challenge the GRI will face is to occupy with its standards a proper space in the sustainability reporting mandatory adoption jurisdiction. As a result, its recent agreement with the IFRS Foundation seems to pursue this goal and mitigate the risk from ISSB's action.

5. Avenues for future research

Prior research has revealed many of the practical challenges of GRI standard adoption and its ability to ensure accountability. As previously discussed, accounting research on the GRI shows how the GRI contributed to promoting multi-stakeholder accountability, helping organisations identify material issues, spread common material issues among organisations, and measuring their sustainability performance through indicators. In addition, prior studies have identified several related research opportunities (Hsiao et al., 2022; De Villiers et al., 2022a, 2022b; Molinari and De Villiers, 2021). These research areas are likely to continue to inspire future research, however, given recent developments, different research questions and perspective are likely to come to the fore.

Etzion and Ferraro (2010) demonstrated how GRI's use of words and analogies contributed to institutionalising sustainability reporting. Future research can investigate how GRI guidelines and standards helped create a common language in sustainability reporting, as represented in Figure 2. In this vein, empirically investigating how GRI standards (or other standards) can enact stakeholder accountability, identify material issues, and measure their social and environmental impacts can improve our understanding of their ability to create a common language and contribute to reflecting on the need to create new global standards for sustainability reporting.

Figure 2: *Future research directions*



As argued before, there is an ideological struggle in the new concept of double materiality. These conflicting ideological interests are mirrored in recent initiatives for creating global sustainability standards (e.g. the IFRS/ISSB's initiative). Future research may be fruitfully directed at investigating the ideological interests grounding the sustainability reporting standards and their influence on accountability and the language characterising the dialogic mechanism of sustainability reporting. Thus, future research may aim to answer the following research questions:

- How does the GRI react to maintain its position in the face of competing bodies, such as the IFRS/ISSB?
- How can the GRI standards foster broad multi-stakeholder accountability in organisations?
- Can the GRI continue to foster a common language and improve managers' and stakeholders' sustainability literacy?
- Can (or how can) different reporting standards jointly contribute to pursuing a common language in sustainability reporting?
- How can organisations/managers manage the trade-off and ideological conflicts between GRI standards and investor-oriented sustainability standards?

The material issues and information disclosed in sustainability reports are based on the type of accountability organisations embrace and the sustainability standard they adopt. Therefore, there is considerable interest in understanding the influence of GRI and other standards on materiality and content of sustainability reports. Some related research questions are:

- How do different reporting standards change materiality assessment and stakeholder engagement performed by organisations?
- Is the concept of materiality evolving toward a financial meaning? If so, why?
- How does the type of accountability organisations embrace influence reporting?

The European Union regulation and recent sustainability standard-setting initiatives aim to facilitate the comparability of sustainability information/reporting (La Torre *et al.*, 2018). Establishing standard metrics and indicators for measuring sustainability performance will aid comparability. However, standard metrics may also work against broad accountability and ensuring all material matters are disclosed. Related research questions are:

- How can/do standard sustainability metrics and indicators foster or deter broad multi-stakeholder accountability?
- How are stakeholders needs met/frustrated by the disclosure of standard metrics and indicators?
- How do financial and investors interests play a role in establishing standard metrics, and how does this process affect a broader set of stakeholders and society as a whole?
- How is/could the trade-off between comparability and materiality managed in developing and using standard sustainability reporting metrics?

To conclude, as we have argued before, the GRI will face the challenge of competing with other reporting frameworks (e.g. the Value Reporting initiative, the UN Global Compact and the Task Force on Climate-related Financial Disclosures) to maintain its position. Thus, future research could examine the research questions encompassed in the following question:

- How do/can the competition and collaboration among standard setters influence the language, the materiality and the metrics in sustainability reporting practice?

6. Conclusion

This paper is motivated by the increasing need and regulatory pressures for developing global standards for sustainability reporting. In reviewing the GRI research and its history in developing and promoting sustainability reporting standards, we highlighted the GRI's long-standing and global position as an important sustainability reporting standard-setter. Over the decades, the GRI has contributed towards the development and improvement of sustainability reporting practices worldwide. The GRI thus fostered a common language in sustainability reporting practices, both for organisations and stakeholders.

This common language has been developed though the widespread voluntary adoption of GRI guidelines/standards over the years, making the GRI standards the *de-facto* standard for sustainability reporting. Since corporate accountability is dialogic in nature (Cooper and Owen, 2007; Dillard and Vinnari, 2019), standards are essential to establish the dialogue surrounding accountability and sustainability reporting.

We identify that the IFRS/ISSB initiative to create new sustainability standards is an attempt to establish dominance in all reporting standards. However, despite its aim to differentiate itself from the GRI by serving financial stakeholders, the IFRS/ISSB is unlikely to harm the GRI's global position in developing multi-stakeholder-oriented sustainability reporting standards. We explain that this is due to their different roles and positions in the sustainability standard-setting arena: investor-focused versus societal/stakeholder focused standards, and the different sources of legitimacy they rely on.

The IFRS Foundation's initiative in sustainability standard-setting leverages its structural legitimacy, based on its global financial standard-setting position. However, the IFRS cannot stray from its founding principles, which relate to investor needs, therefore IFRS/ISSB is unlikely to fully understand and address the information needs of non-investor stakeholders. By contrast, the GRI can benefit from its consequential legitimacy, which is based on what it has been able to accomplish in the sustainability reporting field and the global adoption of its standards. Thus, we conclude that the GRI will likely continue to be revered as the custodian of reporting standards focused on promoting sustainability reporting and multi-stakeholders accountability that focus on information needed to assess the impact of the reporting organisation on society and the environment, while the IFRS Foundation’s ISSB will be seen as the protector of investors with their standards promoting the disclosure of financial and ‘sustainability’ information that focus on the impact of the environment and society on the reporting organisation.

References

Accountancy Europe, (2020), "Interconnected standards setting for corporate reporting", available at: https://www.accountancyeurope.eu/wp-content/uploads/200615-Follow-up-paper-Interconnected-standard-setting.pdf.

Adams, C. A., & Abhayawansa, S. (2022), “Connecting the COVID-19 pandemic, environmental, social and governance (ESG) investing and calls for ‘harmonisation’of sustainability reporting”, Critical Perspectives on Accounting, 82, 102309.

Adams, C., Alhamood, A., He, X., Tian, J., Wang, L., and Wang, Y. (2022), "The development and implementation of GRI Standards: practice and policy issues". In C. Adams (Ed.), Handbook of Accounting and Sustainability. Edward Elgar Publishing Ltd. https://drcaroladams.net/the-development-and-implementation-of-gristandards-practice-and-policy-issues/#comments

Adams, C., Alhamood, A., He, X., Tian, J., Wang, L., and Wang, Y. (2021), “The development and implementation of GRI Standards: practice and policy issues”, In Handbook of Accounting and Sustainability. Edward Elgar Publishing Ltd.

Adams, C.A. and McNicholas, P. (2007), "Making a difference: Sustainability reporting, accountability and organisational change", *Accounting, Auditing and Accountability Journal,* Vol. 20, No. 3, pp. 382-402.

Adams, C.A., Alhamood, A., He, X., Wang, L. and Wang, Y. (2021), *The Double-Materiality Concept Application and Issues*.

Aureli, S., Del Baldo, M., Lombardi, R., and Nappo, F. (2020), “Non-financial reporting regulation and challenges in sustainability disclosure and corporate governance practices”, *Business Strategy and the Environment*, Vol. 29 No. 6, pp. 2392-2403.

Badia, F., Bracci, E. and Tallaki, M. (2020), "Quality and diffusion of social and sustainability reporting in Italian public utility companies", *Sustainability*, Vol. 12, No. 11, pp. 4525.

Biondi, L., Dumay, J. and Monciardini, D. (2020), "Using the International Integrated Reporting Framework to comply with EU Directive 2014/95/EU: can we afford another reporting façade?", *Meditari Accountancy Research,* Vol. 28, No. 5, pp. 889-914.

Boiral, O., Heras-Saizarbitoria, I. and Brotherton, M. C. (2019), "Assessing and improving the quality of sustainability reports: The auditors’ perspective", *Journal of Business Ethics*, Vol. 155, No. 3, pp.703-721.

Buhr, N., Gray, R. and Milne, M.J. (2014), "Histories, rationales, voluntary standards and future prospects for sustainability reporting", *Sustainability accounting and accountability,* pp. 51-71.

Busco, C., Frigo, M.L., Paolo, Q. and Angelo, R. (2013), "Redefining corporate accountability through integrated reporting: What happens when values and value creation meet?", *Strategic Finance*, pp. 33-41.

Calabrese, A., Costa, R., Levialdi, N. and Menichini, T. (2016), "A fuzzy analytic hierarchy process method to support materiality assessment in sustainability reporting", *Journal of Cleaner Production*, Vol. 121, pp. 248-264.

Campra, M., Esposito, P., and Lombardi, R. (2020), “The engagement of stakeholders in non-financial reporting: New information-pressure, stimuli, inertia, under short-termism in the banking industry”, *Corporate Social Responsibility and Environmental Management,* Vol. 27, No. 3, pp. 1436-1444.

Carungu, J., Di Pietra, R. and Molinari, M. (2020), "Mandatory vs voluntary exercise on non-financial reporting: does a normative/coercive isomorphism facilitate an increase in quality?", *Meditari Accountancy Research*, Vol. 29, No. 3, pp. 449-476.

Carungu, J., Molinari, M., Nicolò, G., Pigatto, G. and Sottoriva, C. (2022), “The impact of Mandatory Non-financial Reporting on Corporate Governance mechanisms: insight from an Italian global player”, in Cinquini, L. and De Luca, F. (eds.) Non-financial Disclosure

and Integrated Reporting. Springer. Available at: https://www.springer.com/gp/book/9783030903541.
Chen, L., Feldmann, A. and Tang, O. (2015), "The relationship between disclosures of corporate social performance and financial performance: Evidence from GRI reports in manufacturing industry", *International Journal of Production Economics*, Vol. 170, pp. 445-456.
Cooper, S.M. and Owen, D.L. (2007), "Corporate social reporting and stakeholder accountability: The missing link", Accounting, Organisations and Society, Vol. 32 No. 7–8, pp. 649–667.
De Villiers, C., Hsiao, P.-C. K. and Maroun, W. (Eds.) (2020), *The Routledge Handbook of Integrated Reporting*, Routledge: London, UK.
De Villiers, C., Hsiao, P.-C. K., Zambon, S. and Magnaghi, E. (2022a), "Sustainability, Non-Financial, Integrated, and Value Reporting (Extended External Reporting): A conceptual framework and an agenda for future research", *Meditari Accountancy Research*, forthcoming. DOI: 10.1108/MEDAR-04-2022-1640
De Villiers, C., La Torre, M. and Botes, V. (2022b). "Accounting and social capital - A review and reflections on future research opportunities", *Accounting & Finance*, forthcoming. DOI: 10.1111/acfi.12948
De Villiers, C. J. and Lubbe, D. S. (2001), "Industry differences in Corporate Environmental Reporting in South Africa", *Meditari Accountancy Research*, Vol. 9 No. 1, pp. 81-91.
Dillard, J. and Vinnari, E. (2019), "Critical dialogical accountability: From accounting-based accountability to accountability-based accounting", Critical Perspectives on Accounting, Vol. 62, pp. 16–38.
Dissanayake, D. (2020), "Sustainability key performance indicators and the global reporting initiative: usage and challenges in a developing country context", *Meditari Accountancy Research*.
Durocher, S., Fortin, A. and Côté, L. (2007), "Users' participation in the accounting standard-setting process: A theory-building study", *Accounting, Organisations and Society*, Vol. 32 No. 1–2, pp. 29–59.
Etzion, D, and Ferraro, F. (2010), The Role of Analogy in the Institutionalisation of Sustainability Reporting, *Organization Science,* Vol. 21 No. 5, pp. 1092-1107.
European Commission. (2021), "Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting", *Official Journal of the European Union*, Vol. 0104 No. 537, pp. 1–65.
European Reporting Financial Advisory Group (2021), "Proposals For a Relevant and Dynamic EU Sustainability Reporting Standard-setting", available at: https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FSiteAssets%2FEFRAG%2520PTF-NFRS_MAIN_REPORT.pdf
Federation of European Accountants (2016), "EU Directive on disclosure of non-financial and diversity information. Achieving good quality and consistent reporting", *Position Paper.*
Fiandrino, S. (2019), *Disclosure of Non-Financial Information*, Giappichelli, Torino.
Flower, J. (2015), "The International Integrated Reporting Council: A story of failure", *Critical Perspectives on Accounting*, Vol. 27 No. March, pp. 1–17.
Fonseca, A., McAllister, M. L., and Fitzpatrick, P. (2014), "Sustainability reporting among mining corporations: a constructive critique of the GRI approach", *Journal of cleaner production*, Vol. 84, pp. 70-83.
Font, X., Guix, M. and Bonilla-Priego, M. J. (2016), "Corporate social responsibility in cruising: Using materiality analysis to create shared value", *Tourism Management*, Vol. 53, pp. 175-186.

Garcia-Torea, N., Fernandez-Feijoo, B. and De La Cuesta, M. (2020), "CSR reporting communication: Defective reporting models or misapplication?", C*orporate Social Responsibility and Environmental Management*, Vol. 27, No. 2, pp. 952-968.

Global Reporting Initiative (2022a), "'About GRI", Available at: GRI - About GRI', (globalreporting.org) (accessed 10/02/2022).

Global Reporting Initiative (2022b), "'Our mission and history", Available at: GRI - Mission & history', (globalreporting.org) (accessed 10/02/2022).

Global Reporting Initiative (2022c), "'Standards development", Available at: GRI - Standards development', (globalreporting.org) (accessed 10/02/2022).

Global Reporting Initiative (2022d), "'The global standards for sustainability reporting", Available at: GRI – Standards', (globalreporting.org) (accessed 10/02/2022).

Habib, A. (2022). Publishing literature reviews. Pacific Accounting Review. https://doi.org/10.1108/PAR-02-2022-0024

Halkos, G. and Nomikos, S. (2021), "Corporate social responsibility: Trends in global reporting initiative Standards", *Economic Analysis and Policy*, Vol. 69, pp. 106-117.

Hopwood, A.G. (2009), "Accounting and the environment", *Accounting, Organisations and Society*, Vol. 34, No. 3-4, pp. 433-439.

Hsiao, P.-C. K., De Villiers, C., Horner, C. and Oosthuizen, H. (2022), "A review and synthesis of contemporary sustainability accounting research and the development of a research agenda", *Accounting & Finance*, forthcoming. DOI: 10.1111/acfi.12936

IFRS Foundation. (2020), *Consultation Paper on Sustainability Reporting*, available at: https://www.ifrs.org/content/dam/ifrs/publications/requests-for-information/english/2020/consultation-paper-on-sustainability-reporting.pdf.

IFRS Foundation. (2021), *IFRS Foundation Constitution*.

IFRS (2022a), "IFRS Foundation and GRI to align capital market and multi-stakeholder standards to create an interconnected approach for sustainability disclosures", 24 March 2022. Available at: https://www.ifrs.org/news-and-events/news/2022/03/ifrs-foundation-signs-agreement-with-gri/

IFRS Foundation. (2022b), *[Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, Exposure Draft IFRS Sustainability Disclosure Standard, March 2022

KPMG (2017), "The road ahead. The KPMG Survey of Corporate Responsibility Reporting 2017", Amsterdam: KPMG International.

KPMG (2020), "KPMG International survey of corporate responsibility reporting", Amsterdam: KPMG International.

La Torre, M., Dumay, J., Rea, M.A. and Abhayawansa, S. (2020), "A journey towards a safe harbour: The rhetorical process of the International Integrated Reporting Council", *The British Accounting Review*, Elsevier Ltd, Vol. 52 No. 2, p. 100836.

La Torre, M., Sabelfeld, S., Blomkvist, M. and Dumay, J. (2020), "Rebuilding trust: sustainability and non-financial reporting and the European Union regulation", *Meditari Accountancy Research*, Vol. 28 No. 5, pp. 701–725.

La Torre, M., Sabelfeld, S., Blomkvist, M., Tarquinio, L. and Dumay, J. (2018), "Harmonising non-financial reporting regulation in Europe: Practical forces and projections for future research", *Meditari Accountancy Research*, Vol. 26 No. 4, pp. 598–621.

Lombardi, R., and Secundo, G. (2020), "The digital transformation of corporate reporting – a systematic literature review and avenues for future research", *Meditari Accountancy Research,* DOI 10.1108/MEDAR-04-2020-0870

Machado, B. A. A, Dias, L. C. P. and Fonseca, A. (2021), "Transparency of materiality analysis in GRI- based sustainability reports", *Corporate Social Responsibility and Environmental Management,* Vol. 28, No. 2, pp.570-580.

Massaro, M., Dumay, J., & Guthrie, J. (2016). On the shoulders of giants: undertaking a structured literature review in accounting. Accounting, Auditing & Accountability Journal. 29(5), pp. 767-801.

Michelon, G., Pilonato, S. and Ricceri, F. (2015), "CSR reporting practices and the quality of disclosure: an empirical analysis", *Critical Perspectives on Accounting*, Vol. 33, pp. 59-78.

Miles, K. (2011), "Embedding gender in sustainability reports", *Sustainability Accounting, Management and Policy Journal*, Vol. 2, No. 1, pp. 139-146.

Molinari, M. and Carungu, J. (2019), "Rendicontazione non finanziaria: dalla forma alla sostanza"*, Controllo di Gestione,* Vol. 16, pp. 5-17.

Molinari, M. and De Villiers, C. (2021), "Qualitative Accounting Research in the Time of Covid-19 - changes, challenges and opportunities", *Pacific Accounting Review*, Vol. 33 No. 5, pp. 568-577.

Moses, O. and Hopper, T. (2022), "Accounting articles on developing countries in ranked English language journals: a meta-review", Accounting, Auditing & Accountability Journal. https://doi.org/10.1108/AAAJ-04-2020-4528.

Moses, O., Mohaimen, F. J., & Emmanuel, M. (2020). A meta-review of SEAJ: The past and projections for 2020 and beyond. Social and Environmental Accountability Journal, 40(1), 24-41.

Perrini, F. (2006), "SMEs and CSR theory: Evidence and implications from an Italian perspective"*, Journal of Business Ethics,* Vol. 67, No. 3, pp. 305-316.

Richardson, A.J. and Eberlein, B. (2011), "Legitimating Transnational Standard-Setting: The Case of the International Accounting Standards Board", *Journal of Business Ethics*, Vol. 98 No. 2, pp. 217–245.

Roca, L. C. and Searcy, C. (2012), "An analysis of indicators disclosed in corporate sustainability reports", *Journal of Cleaner Production*, Vol. 20, No. 1, pp. 103-118.

Safari, M. and Areeb, A. (2020), "A qualitative analysis of GRI principles for defining sustainability report quality: an Australian case from the preparers' perspective", *Accounting Forum*, Vol. 44, No. 4, pp. 344-375.

Sampong, F., Song, N., Boahene, K. O. and Wadie, K. A. (2018), "Disclosure of CSR performance and firm value: New evidence from South Africa on the basis of the GRI Guidelines for sustainability disclosure", *Sustainability*, Vol. 10, No. 12, pp. 4518.

Slacik, J. and Greiling, D. (2020), "Coverage of G4-indicators in GRI-sustainability reports by electric utilities", J*ournal of Public Budgeting, Accounting and Financial Management*, Vol. 32, No. 3, pp. 359-378.

Suchman, M.C. (1995), "Managing legitimacy: Strategic and institutional approaches", *Academy of Management Review*, Vol. 20 No. 3, pp. 571–610.

Tauringana, V. (2020), "Sustainability reporting challenges in developing countries: towards management perceptions research evidence-based practices", *Journal of Accounting in Emerging Economies*, Vol. 11, No. 2, pp. 194-215.

Toppinen, A. and Korhonen-Kurki, K. (2013), "Global Reporting Initiative and social impact in managing corporate responsibility: A case study of three multinationals in the forest industry", *Business Ethics*, Vol. 22, No. 2, pp. 202-217.

Uyar, A. (2016), "Evolution of Corporate Reporting and Emerging Trends"*, The Journal of corporate accounting and finance,* Vol. 27, No. 4, pp. 27-30.

Veltri, S. (2020), "The Mandatory Non-financial Disclosure in the European Union", *Mandatory Non-financial Risk-Related Disclosure,* Springer International Publishing, pp. 31-55.

Waddock, S., A. L. and White (2007), On CERES, the GRI and Corporation 20/20, *Journal of Corporate Citizenship*, Vol. 26, pp. 38–42.

[i] Source: https://www.ifrs.org/groups/international-sustainability-standards-board/#about