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Sustainability reporting – Its then, now and the emerging next!

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ABSTRACT

Sustainability report is the gathering of sustainability information in a systematic and presentable way such that an easy comparison with the past and progress concerning the target is possible, for the improvement in environmental, social and economic aspects of the company. The nature of sustainability information has witnessed a tremendous variation reflecting the changing political and environmental scenario. Last three decades has witnessed the inception of different non-governmental organisations striving for sustainability, frameworks for sustainability reports and changing formats of reporting. Altogether sustainability reporting has now became a brand tag, believed to have improving the reputation of the company among the stakeholders. Further opportunities have invited business models in sustainability resulted in top consulting firms and hundreds of new companies working towards it. With the fast moving world and more competition, sustainability reporting is experiencing shift in trends and experimentation which has invited great responsiveness of companies as well as stakeholders. This paper is a journey through the routes sustainability reporting has already covered, and exploring the paths of journey ahead.

***Keywords*:** Sustainability Reporting; CSR; GRI; Integrated Reporting, IIRC; Digitalization of Sustainability Report

1. INTRODUCTION

The time has changed when sustainability disclosure were only limited to super green or extremely social committed companies. Now it has become a common practice between all sizes of industries. People and companies refer to sustainability by different names - corporate citizenship, social responsibility, CSR, climate change initiatives, or "Green" movement. In essence, sustainability embraces any measure taken towards improvement in environmental, social and economic aspects of the company, which includes measuring & reporting, changes in business strategy, modifying company business processes to reduce the operational use of natural resources and energy etc.

The UN's Brundtland report defined sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" [1]. The idea of sustainable development is the ecological modernization which holds favorable combination of economic growth and ecological concerns [E.g. Hajer 2005, Young 2000].

The concept of sustainability reporting was propelled in 1980's after the realization that financial parameters cannot be solely used for measuring their environmental and social performance, and the success of the company. For example, GDP- a financial parameter doesn't give any direct link to the GHG emissions, which would require a different non-financial parameter to quantify it.

This paper plots the lifeline of the Sustainability reporting, the evolution of reporting methods while examining the significance of sustainability reporting in the firm's success, as well as it discusses the busniess models developed after sustainability reporting. The paper also tries to evaluate the emerging trends in this field.

2. SUSTAINABILITY INFORMATION

A sustainability report - a key platform for communicating sustainability performance and impacts- presents the organization's values and governance model, and demonstrates the link between its strategy and its commitment to a sustainable global economy. Further it helps the organization to measure and understand their economic, environmental, social and governance performance, and then set goals, and manage change more effectively.

A sustainability report is the gathering of sustainability information in a systematic and presentable way such that an easy comparison with the past and progress concerning the target is possible. Sustainability information comprises of financial as well as non-financial data, and are interrelated in most of the cases. Financial being monetary in nature is well standardized, while non-financial have no such established standards, and can be quantitative or qualitative which makes it more difficult to handle. However these information are of great interest to the stakeholders and hence it can play an important role in defining a company's success.

The financial information being monetary in nature, won't be sufficient to establish and communicate the sustainability concerns. This has led to the need of separate measuring standards for sustainability information. For measuring and reporting, sustainability indicators were thus introduced. Risk is associated while defining sustainability indicators since the indicators chosen may not be the best sustainability indicator which would lead to deviation of focus from the company's sustainability goal. For example, one sustainability indicator can be 'waste heat recovery' which is an efficient energy conservation method, but the best would be to reduce the energy consumption itself. Hence, the emphasis is to keep the sustainability indicators relevant to the company's goal or strategy.

Table 1. Comparison between financial and sustainability reporting [2].

	Financial reporting	Sustainability reporting
Year	Reported year/ Financial year	Upcoming years
Emphasis	Direct issues related to the organization	Issues and initiatives of sustainability
Economic view	Material	Intangible
Information	Financial data	Non-financial data
Materiality	Financial significance	Any information significant to stakeholders
User	Shareholders and investors	Stakeholders

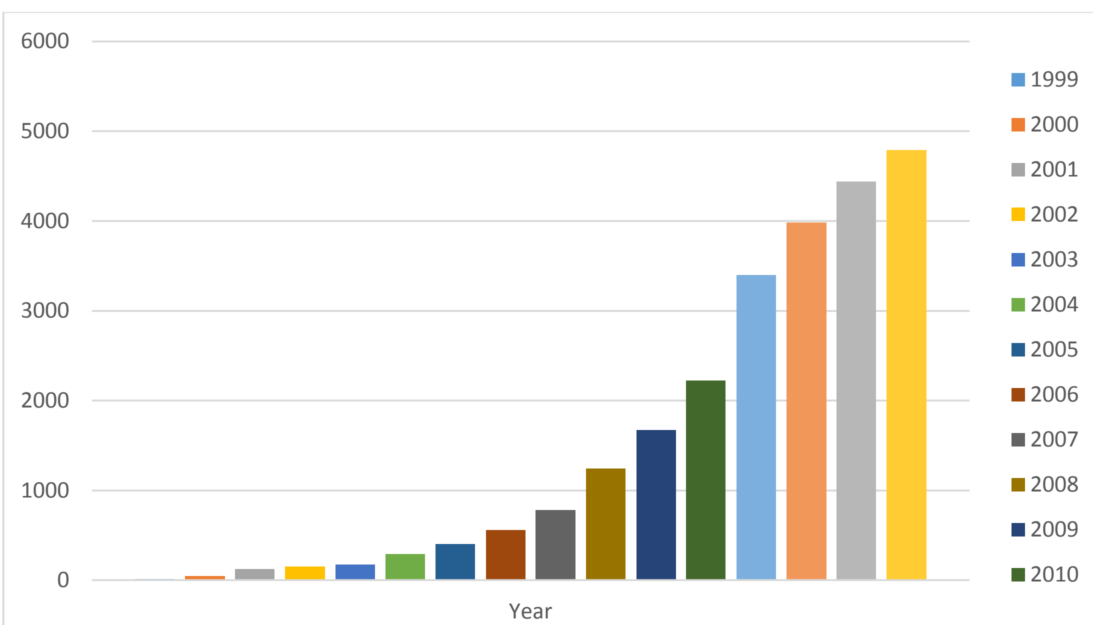

Fig. 1. Number of reports published per year (Source: GRI database).

The nature of sustainability information has witnessed a tremendous variation reflecting the changing political and environmental scenario. The time, during the initial stages of industrial age, when the success of a firm was measured only upon their economic performance have changed since the stakeholders have started finding interest in eco-friendly growth. Companies are finding augmented interest in communicating their sustainability initiatives to the public, as they believe it would help them in enhancing the reputation of company.

Today the trend in sustainability disclosure has moved a step ahead with companies reporting their sustainability initiatives to the stakeholder through the most lively social media platforms. Whether it be positive or negative information, sustainability disclosure helps the companies to maintain their reputation and to get involved with the stakeholders. Environmental narrative disclosures of Royal Dutch Shell of oil spills in Nigeria is a notable example [3].

3. EVOLUTION OF SUSTAINABILITY REPORTING

In the late 1980s, the first voluntary environmental reports were published. Companies with environmentally sensitive operations, especially large polluters, started to develop sustainability reporting. This was done partly as a response to pressure from non-governmental organizations who criticized the power of multinational companies. This indicates the importance of sustainability reporting as a tool in communicating with stakeholders and managing business reputation. At the same time, the development of voluntary codes of environmental conduct and eco-auditing led to the development of environmental management systems (EMS) and the creation of standards, such as the ISO14000 standard series. Also environmental catastrophes have been a key player in revolutionizing the modus operandi of sustainability reporting. For example, the US Clean Air Act in 1970 and Clean Water Act in 1972 after Cleveland's oil-contaminated Cuyahoga River caught fire on 23 June 1969 for the 3rd time and Responsible Care was launched in 1985 by the Canadian Chemical Producers Association (CCPA) and US Emergency Planning and Community Right-To-Know Act in 1986 after 1984 Bhopal Tragedy [4].

In initial days sustainability reporting were narrative in nature or via non-financial indicators focusing on Human resources and employee relation as a part of the financial report. For example, Hogner in 1982 found that US Steel Corporation's early financial statements included topics such as worker housing, community development, worker safety and mortgage assistance for employees. Since mid-1990 sustainability reporting has taken different forms. The first reports were mainly focused on the environmental performance. The reason behind was the high importance given to the environment concerns and at the same time the difficulties in realizing the multi-dimensional aspects of sustainability. Later, sustainability reports evolved with more holistic approach, it including different information and in turn reducing the stress on environment. Even so, there are still practices to give prominence to environment where the focus is on environmental concerns.

At about the same time, the highly socially sensitive companies had introduced the Corporate Social Responsibility (CSR) reports. 3M- the US MNC, formerly known as Minnesota Mining and Manufacturing Company, was the first to come up with a CSR report in 1993. The idea behind a CSR report was to disclose the performance on social elements, which was devised to ensure the laborer, human rights and to hamper child labor. The European Union, defines CSR simply as “the responsibility of enterprises for their impacts on society” [European Commission 2011].

In 1998, Elkington developed the term “Triple Bottom Line” which argues that environmental and social performance should go hand in hand with the economic performance for sustainable development [Hubbard 2008]. Progressing from this concept Triple Bottom Line (TBL) reporting was introduced with a three dimensional approach towards Social, Economic and Environmental performance, and has given equal importance to each. The three verticals of TBL concept can be encompassed under People, Planet and Profit.

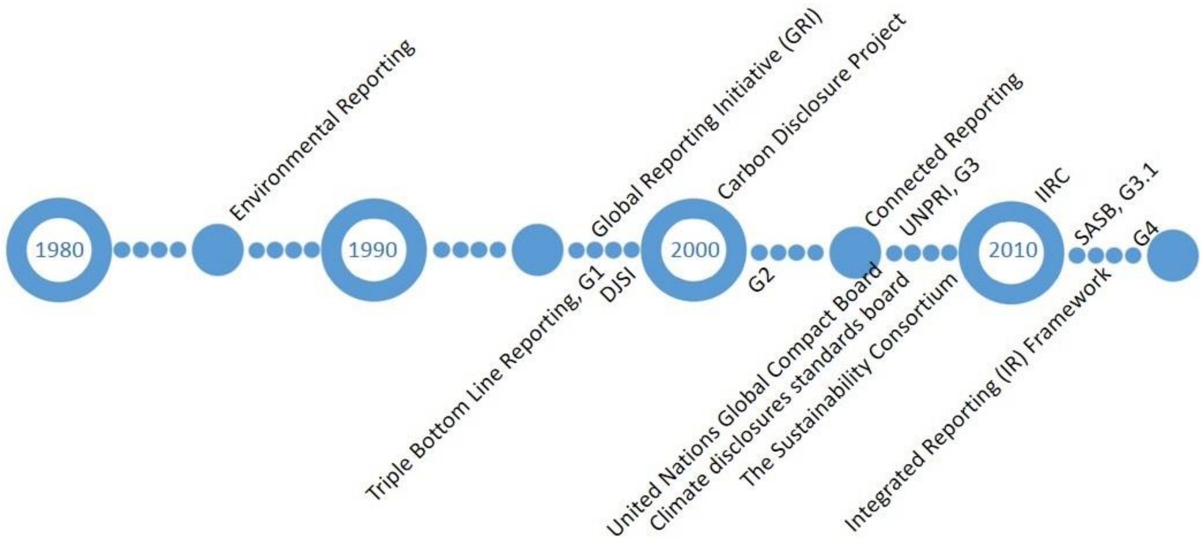

Fig. 2. Timeline of sustainability reporting.

The foundation of non-profit non-government organization like Global Reporting Initiative (GRI) in 1997 at US [5], which voluntarily introduced frameworks supporting sustainability reporting, had helped strengthening the base of sustainability reporting. Country specific frameworks like Connected reporting in United Kingdom are noteworthy. In addition to extensive social and environmental reporting, the growing concern about climate change has brought focus on Carbon Footprint measurement and disclosure. Carbon Disclosure Project is one example which encouraged companies and cities to disclose on their greenhouse gas emissions and the climate change risks. Founded in UK in 2000, CDP has the largest database of primary corporate climate change information in the world, with data from more than 60 countries and 3000 companies [6]. Dow Jones Sustainability Index (DJSI) founded in 1999 is another remarkable framework in sustainability, providing scores and industry rankings, which any company consider prestigious to find a place in their list in this competitive atmosphere as it represents the top 10% of the biggest companies of world.

In this changing phase, sustainability reporting has now arrived at a new trend called Integrated Reporting. The International Integrated Reporting Council (IIRC) established in 2010, and the subsequent formation of Integrated Reporting Framework concepts the integration of Annual financial report and Sustainability reporting to a single platform.

The changing trends and experimentation in sustainability reporting has invited great responsiveness of companies as well as stakeholders. In the upcoming chapters we discuss different organizations and frameworks supporting sustainability reporting.

4. IMPULSE FOR SUSTAINABILITY REPORTING

Three decades after origin, advertising ‘why sustainability reporting is important to companies’ has less meaning considering the popularity it has achieved. Rather, the focus of study of sustainability professionals now is the motivation behind the increased voluntary reporting, and how these reports have helped in achieving their sustainability goals. In this section we analyses the factors of motivation for sustainability reporting and briefly explain how companies have benefited from it.

As discussed earlier, today, disclosure of most non-financial information has been voluntary, or driven by increased concerns about impact on society and environment. One of the main reasons why sustainability reporting has increased is due to the need of concrete and reliable data for developing a sustainable strategy, for which the mechanism and systems of reporting are the basic requirement. Reporting demands measurement of different elements which are important to sustainable development, on which strategies are developed to grow the business more competitive.

While discussing about the driving factors for sustainability reporting, we have to deal with its two types- Internal and External. Internal motivations include improving the resource and information management, developing better sustainability strategies etc. These differ with companies and are company specific in nature. Failure to engage with reporting may have a negative impact on the reputation of the company and transparency with the stakeholders. Reporting has wide effects such as improvement in stakeholder communication, improving transparency, measures to give a boost for company’s reputation etc. and these prove as the external motivations for reporting.

According to the Ernst and Young survey during GRI’s global conference, about 60% respondents believes that adding value and identification & mitigation of risks are the principle objectives of sustainability strategy. While during the survey 40% respondents also opinioned that Clients/consumers have the most influence on the sustainability strategy followed by the employees [7]. Another survey conducted by Boston College Center for Corporate Citizenship and EY reveals that, Transparency with Stakeholders, Risk management, Stakeholder pressure and Competitive advantage are the main motivations for Sustainability reporting irrespective of industry size and sector. Different industries benefited value from reporting in different ways. Increased consumer loyalty, increased employee loyalty, reduce waste, monitoring long-term risk and improve risk management are some of the examples of benefits pointed out during the EY and Boston College Center for Corporate Citizenship survey [8].

The growth of mandatory reporting has a significant role in the increase in reporting trend. Environmental reporting was in place in many jurisdictions for some time, now the government and authorities have started extending this to different levels of industries making them mandatory to disclose on their non-financial elements. For example, on 29th September 2014, EU council adopted new directive for sustainability reporting which mandated “report or explain” for all the companies having more than 500 employees [9].

From the past and present trends, researchers predicts that the reporting trends will continue with an increase in reporting in the upcoming years after the much anticipated IIRC’s Integrated Reporting Framework (IR Framework) which came about in December 2013.

4. 1. Hurdles in the path of reporting

The challenges and obstructions of reporting have to be discussed with high attention as some companies find it difficult to report on their non-financial performance. Though the issuance of sustainability report in accordance with most of the frameworks are quite difficult and sometimes invites extra expenses, the social and environmental benefits it brings along is worth the cost. The main challenges for reporting are identified as availability of data, accuracy or completeness of data, external buy-in to disclose data, limited resources (EY and Boston College Center for Corporate Citizenship survey). Another reason is the difficulty for large companies to report because their small subsidiary companies lack information on their non-financial performance. Sometimes, absence of regulations becomes an escape way from not reporting when the company doesn't have any severe operation which brings them under spotlight.

5. FRAMEWORKS AND THEIR ROLE IN SUSTAINABILITY REPORTING

Current industry practices can sustain only if it creates more value than it destroys in the process of creating value. The basic essence of reporting has been derived from the fact that those factors which can be measured can only be controlled. Sustainability reporting urges companies to think in lines of how they can staunch their corrosion of social and natural capital. Just like all other reporting, sustainability reporting if undertaken with integrity can be a major driver to improve performance. From the business point of view, sustainability reporting hints towards having a better understanding of our non-financial risks and opportunities and putting it out for the world to see what measures we take to manage them. It in a way creates better transparency and accountability for the organization. It would also promote better informed and efficient decision making as well as benchmarking with peers, especially at a time when financial and non-financial assets are becoming symbiotic in nature. Hence, various frameworks have been designed for observing efficient reporting practices.

Also, since more and more companies are incorporating sustainability and its reporting into their core business models, the importance of accurate and timely sustainability related metrics increases. It is imperative for senior management to have control over these metrics at a parity as they have over financial data. This control can be obtained only if the company's sustainability related information are reliable as well as accurate. This is ensured by an independent assurance process, and can be used for internal or external use, thereby providing credibility to the information used for important decision making. Assurance can be provided by a third party professional assurance providers, stakeholder panels, individuals etc. Various standards have to be observed for providing assurance like the International Standard for Assurance Engagement (ISAE) 3000 and SOP 03-2 etc.

The globally accepted frameworks which are presently referred for reporting are:

- GRI – Global Reporting Initiative
- CDP- Carbon disclosure project
- UNCTAD- United Nations Conference on Trade and Development
- The Sustainability Consortium
- IIRC- International Integrated Reporting Committee
- UNEP FI- United Nations Environment Programme Finance Initiative

- GRESB - Global Real Estate Sustainability Benchmark
- SASB – Sustainability Accounting Standards Board
- DJSI – Dow Jones Sustainability Index
- UNGC – United Nations Global Compact
- UNPRI – United Nations Principles for Responsible Investment
- CDSB - Climate disclosure standards board

Table 2. Comparison of the major frameworks.

Framework	Focus	Why report	Scoring	Who reports	Reporting Period
GRI	Focuses on triple bottom line of reporting. Also focus deeply on materiality analysis for stakeholder engagement	GRI remains the favorite voluntary reporting framework. Of the top 250 companies, 82% use GRI.	Latest G4 Framework deals with "core" and "comprehensive" scoring for the industries.	A wide variety of sectors:Hospital, Universities, Utilities, Governmental agencies, Cities, NGOs etc	Reporting can be done anytime, but ideally its incorporated into a company's annual report
CDP	The focus is three forked aspect covering climate change, water and forests	Only globally used environmental disclosure system and is being used in 80 countries worldwide. It is a global system for measuring peer to peer performance, benchmarking and sharing best practices. Companies using CDP have identified a saving of over $53000000000 and 3.5 million metric tons of carbon have been reduced in a year. Also, through their water programme, over 1500 business opportunities have been identified in 2014.	Companies are rated on a 100 point scale based on their performance and disclosure, separately and only the top rated companies are included in the Carbon Disclosure Leadership Index	Public Agencies, Public and private organizations, Government Agencies, Cities, NGOs and Supply Chains	Climate change Programme : Feb 1- May 29 Supply Chain Programme : April 1- July 3 Cities Programme : Jan 1- March 31 Water and Forestry Programme : Feb 1-June 30
DJSI	Focus on Economic, Social and Environmental Indicators at an equal parity, with importance to those criteria which are of importance to stakeholders	They are the longest-running global sustainability benchmarks worldwide and have become the key reference point in sustainability investing for investors and companies alike. DJSI was considered the world's second most credible rating after CDP. Also since the members on its list represent the top 10 percent of the 2500 companies on DJGTSMI, It adds to the company's credibility	A defined set of criteria is used to which are chosen based on the Corporate Sustainability Assessment by RobecoSAM Once a company is listed on the DJSI, it is monitored daily for any critical arising issues, which can lead to the exclusion of the company if deemed critical enough. Monitoring is done via social media	The Top 2500 companies on The Dow Jones Global Total Stock Market Index (DJGTSMI)	April 3 - May 28

GRESB	Though environmental issues are the main focus, social and governmental issues are also taken into consideration	GRESB is investor-driven and the content of the annual Survey is directly informed by what investors consider to be key issues in sustainability integration in real estate investments. Investors in real estate sit on GRESB's Advisory Board, which meets three to four times per year to discuss key issues in sustainability and the ongoing strategy for the benchmark. They also hold investor-focused event programs, to encourage the development of knowledge of sustainability best practices amongst real estate investors and managers	Companies rated on a 100 percent maximum which is further divided into two dimensions: 1.Management and Policy 2.Implementation and measurement	Commercial Real Estate owners, asset managers and Real Estate Developers	April - July
SASB	Only US public companies, Industry specific issues deemed important to investors	SASB can enable benchmarking within an industry and help in marking peer to peer performance. It is backed by the likes of Bloomburg LP and Rockefeller Foundation, giving it an extra impetus with capital markets	No scoring system. Rating is done by a standardized methodology by reporting sustainability performance by filling form 10-K	None so far as they have just released their first reporting guidelines	Integrated into quarterly 10-K fillings
The Sustainability Consortium	A Group of 100+ companies working towards overall sustainability and product standardization	TSC members and partners include manufacturers, retailers, suppliers, service providers, NGOs, civil society organizations, governmental agencies and academics, each bringing valuable perspectives and expertise. TSC convenes these diverse stakeholders to work collaboratively to build science-based decision tools that address sustainability issues that are materially important throughout a product's supply chain and lifecycle.	Sector and Consortium Working Groups are chartered groups of TSC members and invited participants, led by a TSC director and staff, who work together to create sustainability-related knowledge about particular product categories, continuously adding to the scope of products covered by their Sustainability Measurement and Reporting System	Trade associations, regulatory entity organizations, civil society organizations, corporations	Reporting can be done anytime

UNPRI	Focus is on environmental, social and corporate governance issues. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices.	There are two UN partners which adds to its credibility- UNEP FI and UNGC, 1380 signatories, US$ 59 trillion asset base and complete focus on the six principles recognizing the materiality of environmental, social and corporate governance issues	Based on the online feedback given by the signatories, various outputs like RI Transparency Reports, assessment reports, PRI Reports on Progress are created for the companies	Asset owners, investment managers and service providers	The reporting period is open for six months, meaning the first reporting cycle of the new Reporting Framework will last from October 2014 to March 2015. Signatories can report at any time during this period and choose which 12-month period they would like to report on.

6. KEY PLAYERS IN SUSTAINABILITY REPORTING

Tough frameworks have given a clear direction to identify the sustainability indicators and bring the sustainability report under a global standard, it requires companies to gather information about the process and impacts which they might not have measured during their past operation. Moreover if the company is large this will include collection of details from the subsidiary companies also. Together it had made the reporting process crumble some for the company. While on the other hand sustainability reporting was becoming a question towards the brand and reputation which cannot be compromised.

Problems have always created opportunities, here it was top consulting companies who came with business model in sustainability services, starting from sustainability reporting to trainings. More the competition more the ideas and more the development, which we have seen through the change in report formats - from printed reports to digitalized reports and many more.

Today we see hundreds of companies engaged in sustainability services, small and big firms, some of the top players being KPMG, EY, Deloitte, PwC, Accenture Strategy, Pre, PureStrategies, Thinkstep, SustainAbility, The Rob and Melani Walton Sustainability Solutions Initiatives etc.

A brief of the services offered by one such company, Ernst & Young's Clean Energy & Sustainability (EY-CESS) is given below.

7. COMPARATIVE STUDY OF RECENT REPORTING TRENDS

This section attempts to understand the trends followed in sustainability reporting by analyzing the number of sustainability reports published every year. The study also examined the sector wise behavior of report publishing. The details of the study are explained with the help of graphs as shown below.

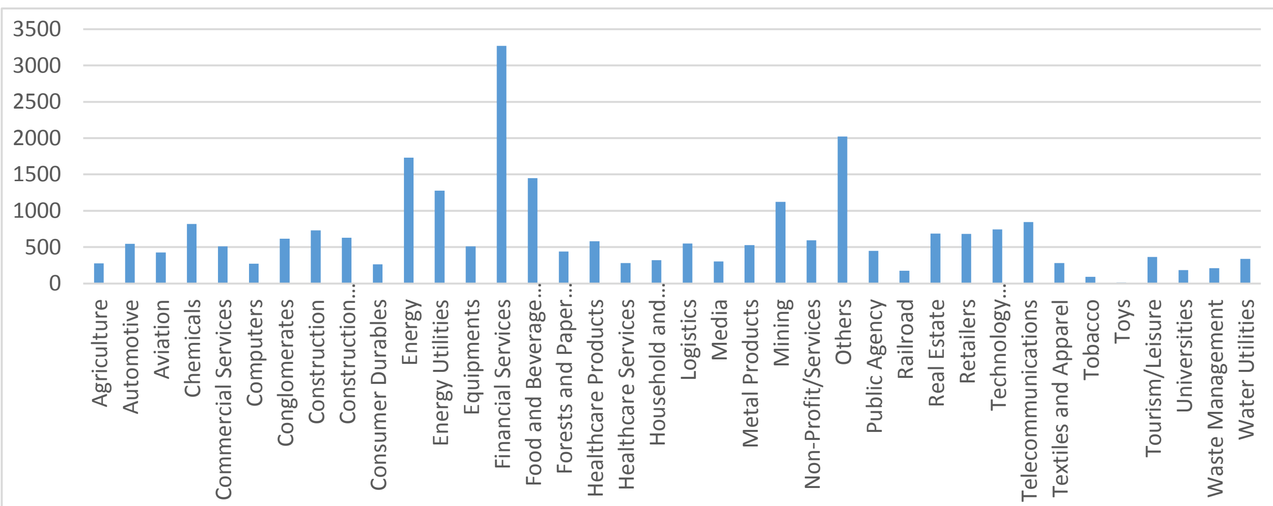

Fig. 3. Sector wise reporting statistics (Source: GRI Database)

As discussed in earlier session, it is witnessed that there is a parabolic increase in the number of reports published every year. This includes reports published by companies from different industrial sectors adhering to different frameworks. The comparison makes it clear that major portion of reports are published under GRI frameworks out of which financial services sector leads with maximum number of reports followed by the energy and the food and beverages sector.

The need and the relevance of reporting took time to seep into current industrial practices and how very few companies have reported under the GRI 1 and GRI 2 frameworks. However, recognizing the changing industrial requirement, GRI was tailor fitted and new frameworks came into being. This coupled with the acceptance and widespread awareness saw a substantial rise in reporting trends confirming to GRI 3 and GRI 3.1. With the latest entrant in the block, GRI 4, reporting hopes to be more effective. GRI 4 deals with core and comprehensive forms of reporting. The company can choose to confirm to either core reporting or comprehensive reporting, on the basis of which they would be rated. Also, it is observed that most companies which confirm to sustainability reporting, whether GRI or Non GRI, are large enterprises, followed by middle income enterprises.

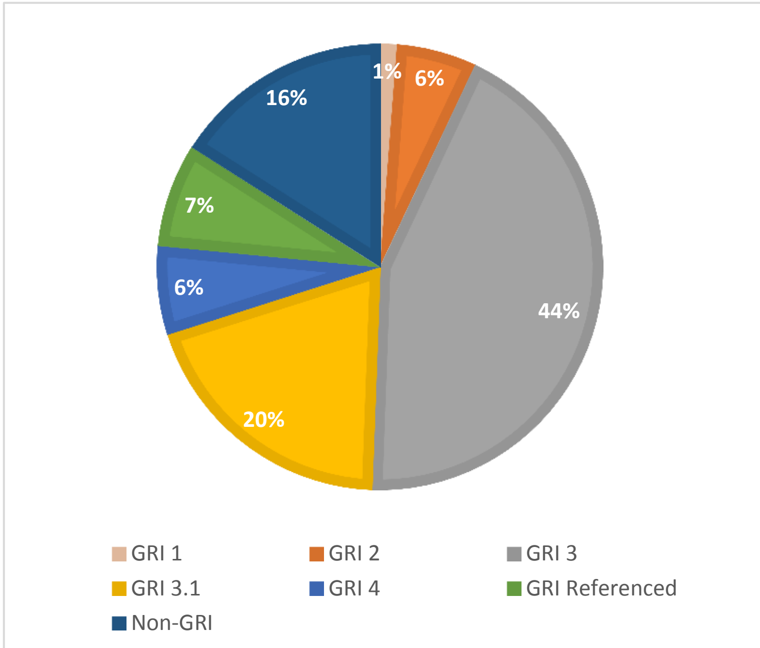

Fig. 4. GRI share percentage.

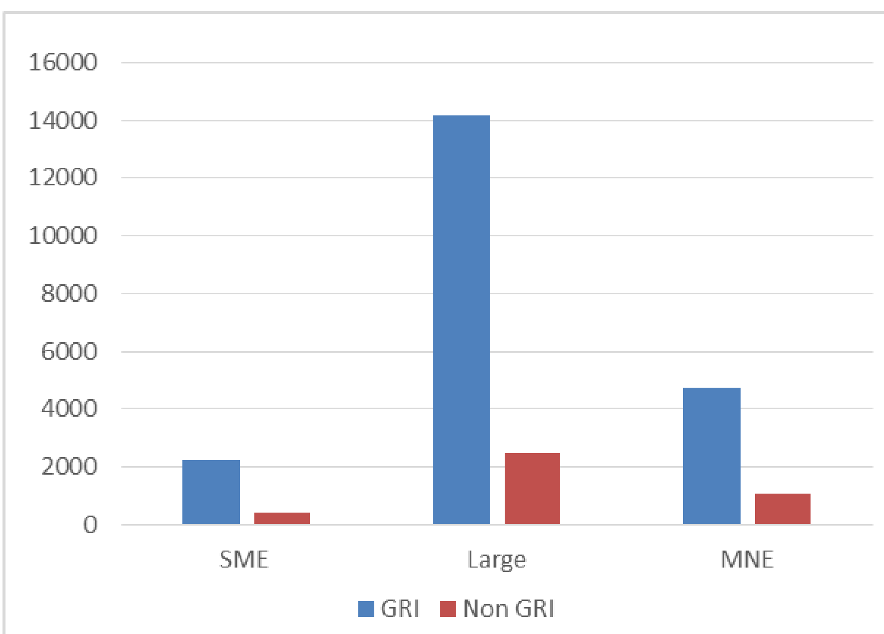

Fig 5. Organisation size wise reporting statistics.

8. EMERGING TRENDS IN SUSTAINABILITY REPORTING

As discussed in our earlier sessions, the last 3 decades has witnessed continuous evolution in sustainability reporting. And the phase of evolution is still continuing with the same pace with new trends and changes in market. What makes anything live is the changes, same in the case of sustainability reporting. Sustainability reporting which was once in the form of environment reports, now evolved as a key player in brand building. This section brief about the emerging trends in sustainability reporting and drivers for sustainability in the upcoming future.

8. 1. Digitalization and impact of social media

Realizing the far reaching impact and the endless possibilities with digital communication and taking sustainable practices into consideration, the realization dawned that digitalization of sustainability reports would be a much better practice rather than printing over 100 pages per report. With digitalization, we could provide an interactive platform for those analyzing the reports, be it stakeholders or peers. With state of the art visual aids, videos, audios, graphics, the report becomes more interesting as well as aids better communication of its efforts towards attaining sustainability. Another attraction in moving towards digital reports are it have longer life and easier to store.

Social media monitoring has arisen as a crucial player in understanding the mind and thinking of people. Exploring the same for a better sustainability report by delivering exactly what the stakeholders are concerned about can improve the reputation and brand of the company. Different social media tools were created to analyze the social media platforms such as Google Plus, facebook, Twitter, blogs, news forums, videos, reviews, images, locations etc and provide a wide range of services which cover domains of analytics, Consumer Inisight and Market Research, Corporate Communications, Brand Management/ Reputation, Product Life Cycle Management, Digital Marketing, Customer Service, Pitching, Media Planning, Content Creation, Prove Campaign ROI etc. These help us to accurately identify our customer base and customer expectations, which can be used to identify and work towards those materiality which can be of benefit to the company and the stakeholder.

8. 2. IIRC-move towards elevating value

With the 2013 framework in place, Integrated reporting is the latest entrant in the field of sustainability reporting. Though it is yet to be widely accepted as the universal sustainability reporting framework, countries leading in this trend are South Africa, Australia, the Netherland, Finland and Brazil. Also globally, the major industries which publish integrated reports till date is the financial sector, followed by the utilities, energy and the mining sector.

IIRC, after inception in the year 2010, has been under the focal point of sustainability reporting. Almost 14% of the total sustainability reports published followed IIRC framework [10]. The introduction of the concept of integrated reporting has brought about a revolutionary change in the meaning of “value” of a product or service. It is now understood that for creation of value the company uses not only its own resources but also resources from nature and the society around it. This gives rise to an increased responsibility for the firm to give back to the society what it took from it, in the same or a different form, thus giving birth to the idea of elevation of value.

Through this, we now give an opportunity for stakeholders to look at a company through the kaleidoscope of its activities which are all aimed towards creation and elevation of value, benefiting not just the stakeholder but the society as a whole rather than viewing a report which just shows carrying out of tasks of benefit to the stakeholder. This is a welcome change from the existing forms of reporting as, it is now understood and accepted that any company stands, grows and sustains only if it focuses on all six identified capitals. Also, it gives the investors more confidence about the social standing and relevance of the company they wish to invest in.

The problem noted with previous frameworks of reporting was that there was minimal cross connection or linking between the various sectors that were reported. The reports might be generated combining various reports by different departments within the organization and would be a product of constricted thinking, mostly restrained to the particular departments. However, the company as a whole is not just the combination of the different fragments. If the different departments are the bricks which make up the organization, various societal and natural resources and factors are the cement which binds the bricks and holds the company together. Also, the current economic gap and other environmental and social crisis also forces us to think about the society and its sustainability along with our own growth. Accounting for all this, only would lead to a reporting in the holistic sense, thus giving the investors the true idea about the intrinsic value of the company.

Thus, with integrated reporting, the focus is now shifting towards giving intangible assets a parity with tangible ones. It stems from the idea that any value created as a result of a sustainable strategy, regardless of whether it becomes a tangible or intangible asset, will translate, to some measure into performance. This will ultimately affect the market value of the company. However, what should be noted here is that an organization's value creation potential is directly and most importantly related to its ability to identify all of the resources available to it.

Creation of a business model is the key step for a company for creation of value in the short, medium and long terms. It is also imperative because the interaction between an organization and its operating environment is symbiotic in nature. Key Performance Indicators (KPIs) are another important factor which aids in value creation for an organization. What should be duly noted is that materiality identification differs in case of integrated reporting as compared to sustainability or financial reporting with effect that in integrated reporting, materiality spans the entire strategy of the organization and not just the current financial or sustainability reporting frameworks. Identifying KPI can help measure and track the organization's performance in the short, medium and long run. It also helps minimize negative externalities and maximize positive ones. This ultimately leads to the production and extension of intangible assets and deepening the impact of the brand value. The third link in effectively creating value is communicating effectively and consistently regarding all the value creation efforts, as the investor market would judge an organization's intrinsic value based on the information it receives.

Integrated reports enable organizations to tell their unique value creation stories. To do that, they need to identify and measure the intangible value and the externalities they generate as a result of their business. Thus, it can be concluded that, considering the long term sustainability of the world we live in, a move towards integrated reporting is imperative for companies belonging to all sectors, so that it promotes or provides the much required push they need to contribute an equal measure of which they utilize.

8. 3. From MDG to SDG

Millennium Development Goals (MDGs) as laid down by the United Nations will now give way and converge with Sustainable Development Goals (SDGs) by the close of the year, 2015. SDGs are an important idea and can help the world to move to a sustainable trajectory. For an institution like UN to accept and move into an era of SDGs, speaks quite a lot in itself. If issues like child rights, education, poverty, hunger, disease, unmet schooling etc. were prime concerns 15 years ago, sustainability and sustainable practices are what deserves public attention now. This calls with it a need for better, more efficient and comprehensive reporting techniques. The content of SDG should be global priorities that requires active public participation and should also include lessons learnt from MDGs.

The MDGs was targeted mainly for poorer economies and the rich countries were directed to superficially add their inputs in terms of financial or technological support. SDGs however are a set of directives aimed for the entire world, as sustainable development eludes the whole Earth. In addition to the triple bottom line of reporting, SDGs come with an additional factor called good governance to ensure the other three factors are achieved successfully. J. D. Sachs in his paper "From Millennium Development Goals to Sustainable Development Goals", identifies the goal of SDG till 2030 to be "from 2015 to 2030, all nations will adopt economic strategies that increasingly build on sustainable best practice technologies, appropriate market incentives, and individual responsibility. The world will move together towards low-carbon energy systems, sustainable food systems, sustainable urban areas (including resilience in the face of growing hazards), and stabilisation of the world's population through the voluntary fertility choices of families supported by health services and education. Countries will adopt a pace of change during these 15 years, individually and with global cooperation, that will enable humanity to avoid the most dangerous planetary thresholds. The world community will help low-income countries to bear the additional costs that they might entail in adoption of sustainable systems for energy, agriculture, and other sectors."

In order to achieve this goal, proper measurement and accounting of resources and current practices should be carried out. This adds on to the need of good and accurate sustainability reporting. The SDGs will need the unprecedented mobilisation of global knowledge operating across many sectors and regions. Governments, international institutions, private business, academia, and civil society will need to work together to identify the critical pathways to success, in ways that combine technical expertise and democratic representation. Global problem-solving networks for sustainable development—in energy, food, urbanisation, climate change, and other sectors—will therefore become crucial new institutions in the years ahead.

8. 4. Concept of Circularity

We are presently living in a linear economy, dominated by the approach of "Take-Make-Dispose". According to a report published by the world economic forum, close to 80% of the $3.2 trillion material value is lost irrecoverably each year, in the fast moving consumer goods sector alone. To counter the effects of depletion of the resources and more consumption than regeneration, the concept of a circular economy is being incepted and debated over. Circularity intends and designs industrial systems to be restorative in nature. The introduction of circular economy in sustainability reporting would be a welcome change.

9. CONCLUSION

There has been a major change in perspective for corporate sustainability reporting. The trend has now changed from "Mandatory" sustainability reporting to "Voluntary" sustainability reporting. Also, the circle completes with the voluntary nature of reporting of major industries in turn, leading towards making sustainable reporting mandatory. Various governments, like those of France and Sweden have already made broad based sustainability reporting mandatory. This in itself shows that corporate sustainability is the way forward and is here to stay, and together with intrusion of new technologies and emerging trends, the future of sustainability reporting is sanguine.

On the basis of the various statistics with regard to the number of reports published and the case studies of the impact that sustainability reports have created on the industrial front, the advantages that sustainability disclosures can bring about are far more than the disadvantages if any. It is a broad forum for benchmarking our own practices with those of our peers and to learn and adopt new economically, ecologically and socially viable practices. Thus, on the basis of this study, we conclude that sustainability reporting can definitely prove to be one of the major drivers to boost a company's performance and efficiency both in financial and non-financial terms.

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