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Social reports of an Italian provincial government: a longitudinal analysis

This is the final peer-reviewed author's accepted manuscript (postprint) of the following publication:

Published Version:
Social reports of an Italian provincial government: a longitudinal analysis / Farneti F.; Guthrie J.; Canetto M.. - In: MEDITARI ACCOUNTANCY RESEARCH. - ISSN 2049-372X. - ELETTRONICO. - 27:4(2019), pp. 580-612. [10.1108/MEDAR-11-2018-0397]

Availability:
This version is available at: https://hdl.handle.net/11585/732018 since: 2022-04-14

Published:

DOI: http://doi.org/10.1108/MEDAR-11-2018-0397

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17 April 2024

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The final published version is available online at: https://doi.org/10.1108/MEDAR-11-2018-0397

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Social reports of an Italian provincial government: a longitudinal analysis

Abstract

Purpose: In this paper, we examine the non-financial information disclosed in social reports by an Italian provincial government over time to determine its relevance, contribution and evolution.

Design/methodology/approach: Through a case study analysis, we examine ten years of social reports by one 'best practice' Italian provincial government. We use content analysis to quantify the level of social and environmental disclosures and use a coding instrument based on the GRI Guidelines. We use legitimacy theory as a framework.

Findings: The level of disclosure increased over the ten-year period, and the type of disclosures became more detailed. However, many of the economic, social and environmental elements set out in the Global Reporting Initiative (GRI) guidelines were not disclosed. Moreover, the social report was contingent on a few key factors. We find that there has been a decline in interest in social reports by local governments in Italy, suggesting that voluntary disclosure was perhaps a fad that no longer is of interest in Italian local government.

Research limitations/implications: This research is one case study so the findings are not generalisable. Our findings suggest that there is a need for regulation in non-financial information disclosures, as the disclosures in our case study organisation were very much at the discretion of the organisation. This has implications for policymakers.

Originality/value: Unlike prior studies, this study takes a longitudinal approach to voluntary disclosure of non-financial information and focuses on the under-explored context of public sector organisations.

Keywords: social reports; Italian provincial government; content analysis; longitudinal study; public sector.

Acknowledgements The authors would like to acknowledge research assistance by Fiona Crawford of Macquarie University, Sydney, Australia.

Social Reports in an Italian provincial government: A Longitudinal Analysis

1. Introduction

With the public sector providing 40% of all global economic activities, it has the potential to play a vital role in promoting sustainable practices (Ball and Grubnic, 2007). Despite this considerable influence, the public sector has received relatively little research attention in relation to sustainability research (Mathews and Guthrie, 1985, p. 271; Osborne and Ball, 2010; Fusco and Ricci, 2019).

Bebbington and Thomson (2013) suggest that accounting can be a crucial technology to support sustainable development management and transition. One of the key media through which organisations disclose information relating to economic, social and environmental issues is through reporting via, for example, the annual report, corporate social responsibility report, and sustainability report. In Italy, a widespread practice is to disclose social and environmental issues, otherwise known as non-financial information, via a social report. It is this voluntary social reporting in Italy that is the subject of the current research.

In recent times, Bebbington and Unerman (2018, p. 2) have appealed for accounting to play an essential role in the pursuit of the United Nations (UN) sustainable development goals (SDGs). They highlight that many of the 193 UN member states have endorsed these goals and will play a role in supporting their realisation. Further, the authors argue for a focus on the entities indicated in SDG 11, such as sustainable cities and communities, as these are not usually studied by accounting scholars (Bebbington and Unerman, 2018, pp. 15–16).

This study is motivated by limited sustainability research into the public sector, and the significant role that accounting technologies (such as social reports) can play, particularly in relation to the public sector's potential contribution to fulfilling the UN's SDGs. We aim to study one decade of social reports for a public sector organisation in order to examine the development of the contents of its social reports, in terms of economic, social, and environmental non-financial information disclosures over time through practices, the usefulness of reports, motivations for disclosures to stakeholders and the level of engagement created.

Our case study organisation is an Italian provincial government that has a history of producing voluntary social reports. Few researchers have examined the Italian public sector (for example, Giusepponi, 2004; Mazzoleni, 2005) and this research has been mainly normative (Farneti, 2011, p. 92). We aim to develop insights based on an empirical case study using mainly a longitudinal analysis of the social reports published by an Italian provincial government, from 2004 to 2013, the final year

the Province published its social report. While several studies have analysed the voluntary social reports of Italian public sector organisations, such as state universities, to determine what they disclose, their motivations for doing so and the main difficulties and benefits encountered (Del Sordo et al., 2016), no longitudinal studies have been undertaken to our knowledge.

The paper is structured as follows. Section 2 briefly reviews the literature concerning public sector organisations and sustainability and outlines the research questions. Section 3 discusses the theoretical framework used. Section 4 outlines the research method applied and provides background information on the Province. Section 5 presents the results of the analysis. Section 6 discusses the findings. Finally, Section 7 offers our conclusions and recommendations for future research.

2. Public Sector and Sustainability

According to Kaur and Lodhia (2018), the public sector should contribute towards social and environmental challenges because of its social and fiduciary responsibility to conserve natural resources and to promote social welfare and equity. As sizeable employers, service providers and resource consumers, public sector organisations can significantly impact national and global progress towards sustainable development, as well work towards the UN's SDGs. Therefore, public sector organisations' reporting practices are important in assessing their contribution towards the achievement of SDGs and sustainable development (Ball and Grubnic, 2007; Ball et al., 2014).

2.1 The role of accounting in the UN's Sustainable Development Goals

In the motivating principles of the SDGs, the Secretary-General states (United Nations, 2017, p. 2):

> *In adopting the 2030 Agenda for Sustainable Development, world leaders resolved to free humanity from poverty, secure a healthy planet for future generations, and build peaceful, inclusive societies as a foundation for ensuring lives of dignity for all … Our challenge now is to mobilize action that will bring these agendas meaningfully and tangibly to life. I call on Governments and stakeholders to recognize the gaps that have been identified in this report—in implementation, financing and political will—and to now join hands to fulfil this vision and keep this promise.*

The 17 SDGs developed by the UN recognise and ratify the significant social, economic and environmental issues facing our society. Governments can use the SDGs as a basis for development of policy (PWC, 2015, p. 7).

The International Federation of Accountants has recognised opportunities for the profession and professional accountants working in business and the public sector to contribute to at least eight of the 17 SDGs, such as gender equality, climate action, decent work and economic growth (IFAC, 2016, p. 9). O'Dwyer and Unerman (2016, p. 38) consider that accounting has a role to play in embedding the principles of social sustainability into organisational decision-making at strategic, tactical and operational levels. They indicate that it would be useful to observe and study "how the various forms of accounting for social sustainability proliferate (O'Dwyer and Unerman, 2016, p. 38).

More recently, Bebbington and Unerman (2018, p. 3) have stated that accounting academics should contribute to how policies and actions are applied at an organisational level to achieve the SDGs by 2030. This study aims to understand the significant social, economic and environmental issues outlined by the SDGs and how they are disclosed, as well as their evolution in a public sector organisation. In doing so it answers Bebbington and Unerman's (2018) call.

2.2 Sustainability reports in public sector organisations

The following briefly reviews several studies on the public sector and sustainability reporting. Farneti and Guthrie (2009) analysed voluntary sustainability reporting practices in seven Australian public sector organisations that have adopted the GRI Guidelines, focusing on patterns of disclosure. Their findings reveal that reporting practices are diverse and the use of the GRI public agency supplement is fragmented, as organisations 'cherry-pick' the GRI indicators they want to disclose. These results suggest that the GRI Guidelines and the Sector Supplement for Public Agencies are too generic and not sufficiently taken up as each report typically focuses on only a few indicators. Additionally, the disclosure tends to be non-monetary, narrative and indicative of a sustainability reporting practice that is still in its infancy.

In another study, Farneti and Guthrie (2009) highlight that research on social and environmental reporting has focused on corporations and not on public sector agencies. Their study shows that the motivations behind voluntarily sustainability reporting are informed by the latest GRI (and the Sector Supplement for Public Agencies), and the reports are aimed at mostly internal stakeholders. They

also find that making such disclosures is driven by an individual in the organisation who pioneers and champions the process of sustainability reporting.

Dumay et al. (2010) provide a critical overview of the application of the GRI as the de-facto reporting guideline for public and third sector organisations. They find that these guidelines promote a 'managerialist' approach to sustainability, which has the potential to form an evaluatory trap. Guthrie et al. (2010) argue that sustainability should be central to public services, where accounting and accountability (Vivian and Maroun, 2018) become fundamental processes in advancing sustainability. They present a case for accountants and managers to participate in developing frameworks and tools for sustainability practice in public services. Bellringer et al. (2011) highlight the absence of mandatory reporting in the public sector in their study analysing what organisations disclose, how they report and what they report.

Niemann and Hoppe (2018, p. 204) observe that in the age of open data, social and environmental disclosure is developed based on different media (print or electronical), at different intervals (one year, and more years), with different documents (plans and reports) that may take the form of a stand-alone activity or as part of a larger process. Given the absence of a clear definition or guideline as to what constitutes a sustainability report and because this activity is voluntary in nature in most countries (2018, p. 205), the frequency and scope of reporting by the public sector is largely unknown and greater understanding of the contribution of the public sector is needed, given their potential to significantly influence sustainable development.

2.3 History of the social report in Italy and Italian guidelines

Social reports and the Italian public sector have a long history. As far back as 1872, the Executive Committee of the Bologna local government produced a document containing financial and social information concerning management activities undertaken over the previous two years (Giunta Comunale, 1872). In 1915, the Regio Decreto N. 148 was enacted requiring by law that the Executive Committee explain how services were delivered and their impact on society more broadly.

The Italian Railway company was the first public sector organisation to develop a social report in 1994, followed by the municipality of Bologna (Iperbole, 2017) and the Italian public telephone company Telecom in 1997. Bologna's social report was initially developed to inform its constituents of the municipality's social policies. However, subsequent editions included disclosures on issues surrounding children's services, ageing and socio-education (Giusepponi, 2004, p. 71). The

municipality of Copparo followed in 1998, and by 2000 many other local governments were publishing social reports (Hinna, 2004). Italian academics have investigated social reporting practices in the Italian public sector since 2000 from a range of perspectives (e.g., Marcuccio, 2002; Bartocci, 2003; de Fabritis, 2004; Giusepponi, 2004; Steccolini, 2004; Tanese, 2004; Paletta and Thieghi, 2007; Borgonovi and Rusconi, 2008; Matacena and Mattei, 2008; Marcuccio and Steccolini, 2008; Meneguzzo and Fiorani, 2009; Promberger et al., 2009). These studies indicate several reasons for public sector organisations producing social reports. Marcuccio (2002, p. 648) and Bartocci (2003, p. 161) attribute social report disclosures to the multi-stakeholder characteristics of public sector organisations, and argue that social reporting is an attempt by governments to seek legitimacy from electors and to conform with regulations aimed at greater government transparency, such as L. 241/90 and as L. 150/2000.

Giusepponi (2004) states that social reports represent the social and environmental activities of an organisation over a specific period, allowing different stakeholders to make a judgment on management's performance and results. Bartocci (2003, p. 165) analysed three different approaches for developing social reports: establishing a long-term relationship with stakeholders; exercising internal control by offering an appraisal of the organisation's mission and management and highlighting its social results; assessing administrative management.

However, Hinna (2004, p. 99) finds that, in the case of Italian public sector organisations, social reports serve as a communication instrument rather than establishing a two-way relationship between the organisation and its stakeholders. Similarly, Farneti and Pozzoli (2005, p. 49) find that social reports aim to legitimise local government actions.

A further important motivation for Italian social reports was the development of guidelines. The earliest guidelines, the GBS, were issued to support social and environmental disclosure (GBS, 2005). Later, an altered version of the GBS guidelines was explicitly developed for the public sector (GBS, 2008). Social reports may also adhere to guidelines issued by two public agencies – the Presidenza del Consiglio dei Ministri, Dipartimento della Funzione Pubblica (2006) and the Osservatorio per la finanza e la contabilità degli enti locali – Ministero dell'Interno (2007) (Farneti et al., 2011). Guthrie and Farneti (2010) note that social reporting practice mostly follows a top-down approach led by the guidelines rather than a bottom-up approach driven by best practice.

What emerges from this brief review of Italian studies on public sector organisations is that there has been a range of approaches to their motivations, contents, reasons and methods for developing social

reports. Further, none of these studies have developed longitudinal analysis to study the evolution of social reports in practice.

2.4 Empirical studies of disclosures in social reports

The studies presented above mostly investigate what should be reported and how to develop a social report. By contrast, several contemporary studies have examined the empirical content of social reports.

Italian local governments began disclosing their non-financial information and publishing their performance under a "bilancio di mandato" – an accountability report – with the the objective of disclosing "the achievements and actions of the Council during its term of office" (Marcuccio and Steccolini, 2005, p. 161). However, social reports continued to focus on reporting activities occurring within each financial year.

Marcuccio and Steccolini (2005, p. 166) study 14 Italian local government organisations, concluding that a social report "was seen as a tool for appearing innovative and progressive". Siboni (2007) analyses 760 Italian municipalities and all state provinces defined by Italian law as local governments (Legislative Decree 267/2000), which represents 9.4% of Italy's 8,000 local governments. The findings revealed that 14% of the Italian municipalities and 38% of Italian provinces produced social reports in 2004 or the mandate period ending in 2004 (Siboni, 2007).

Marcuccio and Steccolini (2009) study the content of annual social reports of 15 Italian local governments. The findings reveal a variety of categories of disclosure. The social reports examined were mainly narrative documents, and quantitative information was rarely disclosed. Guthrie and Farneti (2010) provide insights into how Italian organisations approach accounting and reporting for social, environmental, sustainability and gender issues. The first approach taken can be described as a top-down approach, which involves European and various government policies, international and national standards, and rules and directives. A second approach is a bottom-up approach, which consists of exploring pilot experiences within various Italian organisations, towns and regions, experiences with social reports, environmental statements and gender reports.

Farneti et al. (2011) analyse the social reports of 17 Italian local governments and find fragmentary disclosures across different categories, principally concerning non-monetary information. Farneti and Siboni's (2011) research on social reports demonstrates a similar trend, revealing that Italian local governments only made disclosures on around 13% of the social and environmental issues identified in their coding instrument. Few social reports featured sustainability issues, and the most disclosed

categories were administrative, managerial and operational information. Farneti (2011) examined the content of nine Italian local government social reports. Despite being described as 'best practice' documents, the reports produced by these organisations in 2010, did not extensively disclose sustainability matters.

Del Sordo et al. (2016) investigate the voluntary social reports of Italian state universities between 2003 and 2009 from the perspective of what they disclose, the motivations for doing so, and the main difficulties and benefits encountered. The study answers two research questions: "Do Italian state universities produce a social report?" and "If so, what is in the reports?" They find that producing a social report is still not common practice for Italian universities with only 12 universities (20%) having published at least one social report. This is not surprising because, generally, the Italian public sector only adopts new practices when required by law (de Villiers et al., 2018).

Finally, a recent study by Giacomini (2017) observed the phenomenon of the social report in Italian municipalities using stratified random sampling. Taking all 8,057 Italian municipalities as the basis for a sample survey in 2015, he stratified the population and analysed a random selection of 1,300 municipalities accounting for 16.13% of local governments. Of those selected, 13% published a social report in 2004, whereas by 2013 this figure had dropped to 4% and only 45% of those were prepared according to a standard. Surprisingly, 11% were not aware of what standard for preparation was used.

The findings of these studies suggest that the practices of Italian public sector organisations are inconsistent and hence, the contribution to sustainable development can be improved. None of these studies examine the development of social reports produced by an organisation over time to observe what has been disclosed and to analyse the reasons and motivations for social reports being developed or discontinued.

Thus, the current study aims to contribute to the literature by filling this research gap. We address the following research questions.

1. How have social reports practices evolved in a best practice Italian province, and what are their effects? How does the Province operationalise, or use, social reports? What are the motivations for social report?
2. What are the types and levels of disclosure and have these changed over time?

3. Theoretical Framework

Applying a theoretical framework is useful because it enables the researcher to critically reflect on the studied phenomena, to understand, evaluate, elaborate and critique, in the case of this study, accounting practices (Deegan and Unerman, 2008, p. 4). Theories are abstractions of reality and can provide explanations of behaviours or accounts of facts and phenomena. In accounting, there are positive theories that predict or explain disclosure that are based upon observations and their description (Deegan and Unerman, 2008, p. 8;9). Or there are normative theories, built on norms, value and beliefs (Deegan and Unerman, 2008, p. 8; 10), which prescribe specific approaches to accounting. The latter are prescriptive insofar as they prescribe such behaviour based on what the researcher believes could occur.

There has been a general absence of regulation in regards to the reporting of social and environmental aspects of an organisation. Despite this, many organisations (private, public and not-for profit) provide information on their outputs and the impacts of their actions (Deegan and Unerman, 2008, p. 311). In this study, we are interested in exploring why a specific organisation – the Province – chose to disclose social and environmental information, the contents of its reports, how these evolved and their effects. We use a positive theory approach, based on the premise that this organisation's aim is to use social and environmental disclosures so as to be perceived by its stakeholders as having legitimacy.

Legitimacy theory is applied in this study as it is most suited for providing direct support of our findings, in explaining the disclosure of the province. An organisation is assumed to have an impact on the society in which it operates and is in turn affected by society, because the organisation is part of a system, meaning that it influences and is influenced. Therefore, voluntary disclosure can represent a strategy put in place by the organisation to influence the relationship with other stakeholders.

Legitimacy theory assumes that the voluntary disclosure of an organisation, being mainly social reports, is undertaken to accommodate different interests, expectations and needs (Guthrie and Parker, 1990, p. 166), which derive from a pluralistic world where, for example, compromise between the social impact of an organisation and the economic impact of that organisation are required for legitimacy to operate.

Organisations must conduct their operations in line with social and environmental accountability, otherwise they will lose their legitimacy to operate, breaking the social contract (Campbell, 2000). The social contract represents the various, emerging and evolving expectations that society has with

regard to a specific organisation and its way of acting (Deegan and Unerman, 2008, p. 271). If the organisation fails to fulfil public expectations, it may suffer consequences such as boycotts, restrictions, limited financial and human capital, not being re-elected, and so on. One means by which organisations aim to fulfil public expectation is by the use of voluntary disclosure to stakeholders. In the current study we argue that legitimacy theory is a useful lens through which to examine the way our case study organisation motivates the developing of social reports, uses voluntary disclosure in the form of social reports to legitimise tits actions and operations (Deegan, 2014).

4. Research Method and the Case Study Organisation

Our research questions aim to explore the social report practices of an Italian provincial government over a decade**.** Understanding the contents of the social reports and how they evolve over time is a way of understanding the motivations and effects produced. Therefore, we have chosen a case study, supported by content analysis (Yin, 2014; Georgakopoulos and Thomson, 2008) and semi-structured interviews (Barriball and White, 1994; Farneti and Guthrie, 2009), taking a longitudinal approach as our methodology. This method is considered most appropriate for answering the research questions, rather than only content analysis or semi-structured interviews alone.

Case studies are an appropriate method for understanding the context of an organisation and analysing its disclosure behaviour: "the case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life" (Yin, 1994, p. 13). It is crucial to have sufficient access to data, such as documents or records, and to choose a case study that is likely to illuminate the research question (Yin, 2014, p. 26). In our case, the Province under study consistently published a social report from 2004 to 2013, after which it stopped producing these reports. The unit of analysis is the Province itself, which won awards for 'best practice' for communication and reports produced.

According to Weber (1990), content analysis is a method of codifying a piece of text into diverse categories (Mathews and Guthrie, 1985, p. 260) according to a set of criteria. This definition emphasises the requirement for criteria that can adequately categorise the data analysed. Parker (2005, 2011) indicates that content analysis has become the dominant empirical method for extrapolating social and environmental disclosures from reports. As such, this technique has been widely applied for studying the sustainability aspects of reports published by private companies (e.g., **Guthrie and Parker, 1990**; Guthrie and Abeysekera, 2006; Parker, 2005; Unerman, 2000) and public sector organisations (e.g., Farneti and Siboni, 2011; Guthrie and Farneti, 2008; Marcuccio and Steccolini, 2009). From a literature review of over 40 years of studies related to social and environmental reporting conducted by Fifka (2012), content analysis was found to be the most frequently used

research method to derive insights on what has been reported. Guthrie and Abeysekera (2006, p. 120) define the content analysis of annual reports as "a technique for gathering data" that "involves codifying qualitative and quantitative information into pre-defined categories to derive patterns in the presentation and reporting of information".

Typically, content analysis is conducted on available reports, such as annual reports, stand-alone social and environmental reports, and websites. It implies the use of a disclosure index to highlight the findings of the analysis. A disclosure index is defined as "a research instrument comprising a series of preselected items which, when scored, provide a measure that indicates a level of disclosure in the specific context for which the index was devised" (Guthrie and Abeysekera, 2006, p. 118). Content analysis requires certain technical requirements for it to be considered effective. The first requirement concerns the precise definition of a unit of analysis, including whether graphs, charts, photographs, and pictures are included in the analysis. The second requirement concerns data capture that must be systematic, meaning that it must be clear that an item either belongs or does not belong to a particular category (Guthrie and Abeysekera, 2006; p. 120). ~~specify that "data capture must be systematic – it must be clear that an item either belongs or does not belong to a particular category".~~ The third requirement is that "the information needs to be quantified" and, fourth, the content analysis "must demonstrate some characteristics of reliability and validity".

The primary purpose of this study is to analyse the disclosures in all eight of the social reports, which in the later cases include gender reports (Siboni et al., 2016). The coding instrument is based on the GRI G3.1 Guidelines and the pilot version of the public sector organisation supplement (GRI, 2005, 2011), as it is described in Appendix 1. The GRI is an accepted international framework for sustainability reporting (Farneti and Dumay, 2014) for the public sector, with more than 30,000 sustainability reports issued (GRI, 2018) and, therefore, serves as a useful benchmark when analysing non-financial information disclosure practices in public sector organisations (Greiling et al., 2015). The framework has been widely used for non-financial information disclosure research generally (e.g., Guthrie and Farneti, 2008; Sciulli, 2009; Farneti and Dumay 2014) and for similar research on reporting by public sector organisations in other countries (e.g., Farneti and Siboni, 2011; Farneti et al., 2011; Goswami and Lodhia, 2014).

Table 2 summarises the coding instrument used to develop the analysis. The first column indicates the aspects (based on GRI) and the second column shows the amount of potential elements for each aspect that can be recorded. The third column indicates the total index with reference to the decade, presented in full in the findings section. During the coding process we collected the data (i.e., the coding process) based on this coding instrument (Appendix 1). The results are the data that has been

used to answer the two research questions. To enrich the understanding of the evolution of disclosure, Table 3 provides the content disclosed for each year, based on the coding instrument.

The coding process reveals the incidence of disclosure and the type of information disclosed, based on aspects (Table 2) and total elements recorded for each aspect and each year (Table 3). Our unit of analysis extends beyond text to include tables, charts and graphs. However, pictures were not considered as part of the analysis. A disclosure index was used to measure the presence or absence of disclosures as a percentage of the total disclosures. Additionally, the disclosures were classified into four possible types: descriptive, monetary, non-monetary, or monetary and non-monetary (Guthrie and Parker, 1990).

The organisation under study is an Italian provincial government – the Province – in one of the southern regions of Italy. It covers an area of 6,650 square km and is home to more than 730,000 inhabitants over 155 municipalities (SR, 2012, p. 18). The Province employs 1040 staff (SR, 2009/2013, p. 525) and, in 2013, reported income of over €167 million (SR, 2009/2013, p. 452).

This Province was partly chosen because it was a finalist for the 'Oscar di Bilancio' Italian Financial Statements National Award[1] in the public sector category in 2010 and the winner in 2011. These awards annually honour the best financial and sustainability report. This study aims to identify the level of disclosure provided over a multi-year timeframe in what is considered to be one of Italy's leading public sector organisations, as indicated in Table 1.

(Insert Table 1 here)

Table 1 shows the media (Lodhia, 2018) that was coded, which includes accountability reports covering the five-year terms of governance (2004–2009 and 2009–2013), social reports for the years 2006, 2007, 2009, 2010, 2011, and 2012, which contain the non-financial disclosure for each financial year, and the gender reports included within the social reports since 2009, which explicitly focus on disclosures related to gender. In 2011, the Province published an environmental budget, which was not included in the analysis. No further social or gender reports have been issued since 2013. Social reports have been assured by the auditors (*Collegio del revisori*) of the Province since 2007.

Finally, we were able to gain further insights based on semi-structured interviews. In order to gain understanding on the reasons for the Province's participation in the national awards, the motivation to disclose social information and the contents provided in the social reports on a voluntary basis, we developed a semi-structured interview. The insights gained from the interview were useful in gaining support, or otherwise, for the findings of the content analysis and the theoretical framework.

We interviewed the person who played a key role in deciding to develop social and environment reports and who, in this case, had coordinated the team to develop the social reports. We aimed to engage with the person who played the most relevant role in deciding to participate in the National Italian award and to produce the social reports, thus we arranged an interview with the General Director for the Province.

The interviewee was contacted via email and phone to determine his availability. The interview took place at the end of November 2011. It was recorded and typed. The interview was sent back to the interviewed for checking then coded. This process took place over about 3 months. We followed an interview guide during the interview, leaving the interviewees to express their thoughts freely. We then coded the interviews, based on emerging themes (O'Dwyer, 2004).

5. Results

Each of the following sections explores the data and provides several findings in relation to our ~~three~~ research questions: 1) How have social reports practices evolved in a best practice Italian province, and what are their effects? How does the Province operationalise, or use, social reports? What are the motivations for social reporting? 2) What are the types and levels of disclosure and have these changed over time?

The findings are reported in three subsections related to content of social reports and their evolution; type and level of disclosures; and reasons and effects for disclosure. This section presents the results of our analysis using the GRI framing to determine what information has been disclosed**.**

5.1 The content of social reports and their evolution

(Insert Table 2 about here)

The content analysis establishes content, types and level of disclosure and their evolution, considered over a 10 year period. Table 2 summarises all the 126 elements contained in the 11 aspects of disclosure (column 1) outlined in the GRI 3.1 Guidelines and the 15 elements outlined in the Public Agencies (PA) sector supplement (last row of the Table). The elements are aggregated in Table 2 but all analysed elements are indicated in Appendix 1. The total index based on the eight studied reports represents the percentage of total disclosures according to the GRI aspects. Further details can be found in Table 3, which presents the evolution of social reports.

The aspects with the highest levels of disclosure over the ten years were strategy and analysis, organisational profile, report parameters, governance, commitments and engagements, labour practices and public agency. The report parameters aspect presented shows a disclosure index of higher than 50% for seven of eight reports. For instance, element 3.5 of the report parameters category is the "process for defining the report content" and was fully disclosed over all eight reports of the study, including details of the function of the Province's social reports and the identity and roles of the working team involved in the reports' development.

The governance and commitments and engagement aspects show similar trends – from 47% coverage in the first year to 76.5% coverage in the final years. These aspects have three sub-categories, one of which concerns stakeholder engagement and consists of four elements. The Province published disclosures in three out of these four elements over the ten years. This implies particular attention by the Province to stakeholder engagement. For example, the Province outlines its stakeholder groups and divides them into internal and external parties. It also describes the nature of these relationships, along with the engagement procedures and the frequency of engagements.

These four first GRI aspects are part of the strategy and profile disclosures. They aim to explain the general context of aspects of organisational performance, such as strategy, profile and governance. The information tends to be descriptive and general, managerial or operational in nature. Turning to the economic, social and environment aspects, the greatest level of disclosure was in the economic performance indicators and social performance indicators – labour practices and decent work performance indicators

Disclosures about economic performance indicators followed a constant trend over the reporting period. The disclosure index for this category was 44% for five of the six initial years but decreased to 33% in later years. Disclosures against the labour practices and decent work performance indicators reached at least 40% in four of the first six social reports. This increased to 60% in later years. For example, one of the most disclosed element of this aspect is LA1, "Total workforce by employment type, employment contract, and region, broken down by gender". On the other hand, the other performance aspects – product responsibility, human rights and society were the least reported.

Disclosures against the environmental aspect slightly increased over the period but remained relatively low over the entire period reaching a peak of 36.7% in the most recent reports from a base of only 10 to 20%. This is an example of where disclosure is inconsistent compared to other items, which were more extensively disclosed in the reports.

Overall, the disclosure of economic, social and environmental information as suggested by the GRI Guidelines, that is, the content of reports, was low but increased in the later years. The public agency aspect was highly disclosed, ranging from 60% in the earliest report to 80% in the last report. Table 3 gives further information with reference to the evolution of each aspect for each year.

(Insert Table 3 about here)

Given the above findings several observations can be made. First, following Marcuccio and Steccolini's (2009) observations, the functions of an Italian local government should be reflected in the content of their reports. In Italy, provinces are the intermediate level of local government. The primary tasks of provincial governments are to regulate economic activities including agriculture, fishing and hunting, highways and transport infrastructure, to protect the environment, and to manage education and cultural activities. This Province does not provide direct services to citizens, but they do receive financial resources from higher levels of government and distribute them to lower-level local governments and other representative institutions. Given these functions, Marcuccio and Steccolini (2009) state that provinces should mainly report financial performance accompanied by narrative disclosures. This is reflected in the results of our analysis with the most reported aspects being largely focused on managerial information. Thus, the total indexes (for example 50% in 2009/2013) align, in principle, with the managerial information disclosed by the Province, even if the other social and environmental disclosures were low. However, we argue that the Province should express its financial, social and environmental performance, and its likely impact, in quantitative and qualitative terms. By doing so its activity would align with what is required by the SDGs. In this regard the Province started to report but insufficient information was provided, for example, little information was disclosed with reference to the aspect, society (Aspects SO).

Second, if protection of the environment is a primary function of the Province, a higher number of environmental disclosures would be expected, thus environmental disclosure needs to be addressed more consistently and in a systematic and rigorous manner. Third, the Province applied the GRI public sector organisations supplement; therefore, a high amount of elements disclosed for this category would be expected. Our findings reveal a high disclosure index over all reporting periods for this aspect. The disclosure for this aspect in SR2006 and SR2007 was 60% and 80% in the last year of the report's production.

Further, in terms of the contents of the social reports and the way they evolved (Table 3), we make several observations based on the analysis of the Province's additional documents and SRs. First, the Province has included a gender section at the end of the social report since 2009, but prior to 2009

this information was incomplete or missing. These gender report sections describe the participation of women in provincial life and the contribution of women at different levels. For example, the 2012 report states that the Executive Committee was composed of 92% men and 8% of women and all Councillors were men (SR 2012, p. 296). Second, the provinces have been required to assure their social reports through an independent auditor since 2007. Hence, an audit report is included at the end of each social report. Third, in 2012 the Province embedded the requirements of the Legislative Decree n. 150/2009 in each social report. Given that its social report is a reporting tool rather than an outline of each executive's strategic goals and objectives, the social report shows the performance delivered by the Province. In this regard, for example, the Province indicates that the social report contributes to measuring and communicating performance, mainly based on different reporting guidelines from the GRI (see section 2.3), but it is not specific as to how these have been followed.

Fourth, in 2011 the Province published a stand-alone environmental budget as the basis for its sustainable development policies and principle. This document identifies actions to improve performance regarding the environment. Fifth, the social reports over the analysed period were developed as a result of the willingness and direction by the President of the Province. Thus, what we find in this analysis is a blueprint of what occurred under his governance as no more social reports were produced after his departure. Therefore, non-financial information disclosures by this Province are clearly linked to the governance of a particular President. This is consistent with previous findings (Farneti, 2011) where it was found that specific managers had a determinant role in the development of sustainability reports. However, this disclosure was highlighted to indicate only some social and environmental aspects and these were mainly positive, to let the Province gain legitimacy towards their actions. In fact, there are no mainly negative aspects that have been disclosed in the reports analysed.

5.2 Type and level of disclosures

This section presents the results of the analysis on the type of the disclosures. As indicated in the research method, disclosures can also be categorised into four types following a recognised scale: descriptive, monetary, non-monetary, and monetary and non-monetary (Guthrie and Parker, 1990). Table 4 highlights the type of information for the eight social reports as a percentage by type of information.

(Insert Table 4 about here)

Generally, the most disclosed type of information was descriptive (64%), followed by non-monetary, monetary, and monetary and non-monetary disclosure. However, the level of descriptive disclosures slightly declined over the period analysed down to 49% in 2009/13. The "non-monetary" disclosures remained relatively constant beginning at 20% and increasing to 25% during the last year. It is particularly interesting that combined monetary and non-monetary disclosures started with a low presence of 4.5% but reached 22.5% in the last report. This is considered to be the most complete and informative type of disclosure and indicates that the Province has shifted its disclosures from a descriptive and narrative form to more full and complete disclosures.

An example of detailed disclosure appears against the element "1.1 Statement from the most senior decision-maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy". SR2012 (p. 11) begins with a statement that:

> *The social report is a set of documents, which are financial and non-financial, that jointly with the traditional financial statements ensures qualitative and quantitative data with reference the activities undertaken by the organisation by the social purposes that have been decided. The aim is to ensure information, to make stakeholders assess the activities undertaken by the Province.*

A corresponding example of monetary disclosure from SR2012 (p. 59) against the element "PA3 Identify the aspects for which the organisation has established sustainable development policies" states that the Province is continuing training in road education and security, particularly for youth in collaboration with other institutions, for which it was paid €5.000 to support related costs for July and August.

An example of non-monetary disclosure under "EN26 – Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation" in SR2012 (p. 172) states that to ensure environmental protection, the provincial protection police have undertaken 1,204 services related to environmental protection using 2,438 agents.

An example of monetary and non-monetary disclosure under "EC4 – Significant financial assistance received from the government" from SR2012 (p. 221) indicates the amount of the resources received from the government. These are further detailed in a graphic with an accompanying explanation.

Our findings are generally consistent with similar studies: the most disclosed categories general, managerial, and operational disclosure form the majority of non-financial information reported and

as a consequence, most disclosures are descriptive (e.g., Farneti and Siboni, 2011; Farneti, 2011; Marcuccio and Steccolini, 2009). The low level of monetary disclosure is also consistent with the literature, which mainly reports little disclosure of monetary information (Guthrie and Farneti, 2008). Instead, the low incidence of the combined monetary and non-monetary disclosures is increasing, which suggests that the Province was making more of an effort to provide detailed information towards the end of its reporting practice.

5.3 Reasons and effects for disclosure

The case study we have developed helped us to gain further knowledge of the effects and thus reasons for disclosure. The Province was one of the finalists in the 'Oscar di Bilancio' Italian Financial Statements National Award for the quality of its reporting. According to the General Director of the Province, the reasons for disclosure, and the consequent effects, were a desire to be recognised as a province that does the right thing and that provides relevant information beyond only the financial:

> *The reasons for which we prepare the social report... we wanted the social report because we observed that there was an information deficit in 2006 (General Director of the Province, 2011).*

> *communication was not exhaustive, and with the social report we thought we completed it by disclosing in a clear and simple way how we use the resources that come from citizens and the results we obtain annually (General Director of the Province, 2011).*

The Province aims to explain, not just in financial terms, how resources are used and to do so in a way that is an effective communication of its engagement with stakeholders, in other words in disclosing information it is seeking legitimacy:

> *to let people understand how the financial resources coming from taxes are used ... [the social report] describes in qualitative and quantitative terms the financial environmental and social performance ... the role of the Province is to create social cohesion to overcame financial, social, cultural barriers to create opportunities for the related territory ... the aim is to reinforce public perception on the relevance of our actions, to ensure better visibility with reference to the activity undertaken, to increase its legitimacy in the local community and consent to a social level (SR 2011, p. 9).*

The General Director suggests that social reports are relevant to communicate what the province develops:

The communication and the contents of the social report … must be truthful because the financial statements do not always represent the reality of an institution, so communication is essential for an entity that expresses full democracy (General Director of the Province, 2011).

6. Discussion

The present study makes several contributions to the literature on the topic of social reports in public sector organisations. Similar to previous studies that perform a longitudinal review of corporate social and enviromenatal disclosure (i.e., Gray et al., 1995), we developed a longitudinal study to examine social reporting practices in the public sector over time to determine their relevance, use, contribution, evolution and effects given that organisations in general, and public sector organisations in particular, play a role in the conservation of natural resources and promotion of social welfare and equity (Bebbington and Unerman, 2018). Hence, we analyse a decade of social reports produced by an Italian Province to gain insight into the emergence and demise of social and environmental disclosure practices and to understand the extent and use of social disclosure. The results of our study contribute to the debate on social reporting and further our understanding of social and environmental accounting in several ways.

First, by developing a logindutinal analysis of social reports in a specific province, we have studied the role of accounting technology in empirical settings (Bebbington and Thomson, 2013). The literarture review highlights that social reports were prevalent in Italy (Mussari and Monfardini, 2010, p. 489), even though Marcuccio and Steccolini (2005) suggest that this type of reporting by local governments is merely a fad and is approached in a fragmentary way. However, there is evidence that such reporting tools were used increasingly by local governments (Siboni, 2007; Farneti, 2011). In considering the role of accounting technology in an empirical setting, Georgakopoulos and Thomson (2008, p. 1119) state that: "Social reporting can be viewed as a technology that measures, creates, makes visible, represents and communicates evidence". Thus, the Province aimed to make visible its actions.

The Province used social reports to start to disclose social and environmental information but ended this practice in 2013. This raises the question of whether voluntary disclosure is sufficient or whether the public sector needs to be regulated to systematically ensure the disclosure and accountability of these organisations. At the European level, specific public interest entities are required to disclose social and environmental information with the introduction of Directive 95/2014 (La Torre et al.,

2018). This trend and the failure of voluntary approaches to reporting suggest that policymakers should draft regulations for the public sector, particularly in light of their contribution to society and the types of responsibilities the public sector is charged with governing as stewards (Ball et al., 2014; Dumay et al., 2019). Without regulation for social and environmental disclosures for the public sector, reporting practice will be subject to factors such as the political will and financial resources to disclose.

Second, we answer the call for more research on sustainability and social and environmental disclosure by exploring the use of social reports in the public sector (Osborne and Ball, 2010). At the international level, governments have undertaken political commitments to sustainable development (Ball et al., 2014). This study aimed to address the relevance of the contribution of the Province's social reports by analysing reporting practice and its evolution over a multi-year timeframe. Previous research in the Italian context has been mainly normative (Farneti, 2011) or at a single point of time (del Sordo et al., 2016; Farneti et al., 2017). However, historical longitudinal analysis provides a greater understanding of this accounting technology in a public sector organisation and its relevance. Farneti and Dumay (2014) suggest that the public sector produces report that represent what the organisation wants to communicate about its sustainable public value and that public sector organisations are often reluctant to communicate sustainable public value, considering the overall small number of reports. Even the organisation we selected discontinued reporting in 2013 and appears to have no intention to resume reporting. We argue that sustainability should be embedded in the public sector and that these organisations must be required to demonstrate their contribution towards sustainable development via reporting, because, as Farneti and Dumay (2014, p. 387) state, "sustainability disclosures are key mechanisms for engaging people in understanding the organisation's activities".

Third, we examine the content of disclosures to determine whether this Province contributed to promoting social and environmental action (Goswami and Lodhia, 2014, p. 279; Ball et al. 2014). While the Province did demonstrate a commitment to social reporting practice through its disclosure pattern over 10 years, many social and environmental elements set out in the GRI were not disclosed. Thus, we conclude disclosure is fragmented. This finding is similar to Greiling et al.'s (2015, p. 404) observations when analysing disclosures in the Austrian, German and Swiss public sectors. An implication of this observation is that it is not sufficient for an organisation to disclose social and environmental information; actual commitment would imply an acceptance of responsibility and accountability to the current and future generations (Deegan, 2014, p. 264). Hence, disclosure or

increased disclosure is not sufficient as it is perceived to be reactive to community concerns and the need for legitimacy.

Further, in terms of content, the coding instrument we used was derived from the GRI Guidelines and the public sector supplement based on previous studies by Guthrie and Farneti (2008) and Goswami and Lodhia (2014). According to this measure, most disclosures were not related to social and environmental matters but rather managerial information. Yet the Province claimed to have followed the GRI public sector supplement in developing its social reports along with other Italian guidelines. In fact, many disclosures were incomplete, and many of the economic, social and environmental categories were rarely or never covered. These findings reinforce the argument that this accounting technology produced disclosures that are of a general, managerial and operative nature rather than of a social and environmental nature. The low level of social and environmental disclosures is particularly notable given this Province is considered to be one of the few organisations that has consistently published social reports from 2004 to 2013s.

This research contributes to empirical analysis on disclosures in Italian social reports. Our analysis highlights the Province demonstrated a stable pattern of disclosing GRI elements in its social reports until 2012FY with increases only in the last years of the study from the 2012 FY. This finding is consistent with the results of an Australian study, where the authors found "a consistent disclosure pattern of sustainability performance indicators among the four councils" (Goswami and Lodhia, 2014). Our findings are also consistent with Williams (2015), who found that sustainability reporting in 13 Australian local councils is an emerging field. Williams (2015) echoes the argument provided by Goswami and Lodhia (2014, p. 273) calling for~~: "~~ a need for local-centric guidelines ~~is suggested, not just for the context of this study but also for other local governments, nationally and internationally"~~. We add our support to this argument for regulation over social and environmental disclosures by the public sector.

Fourth, this paper, using the lens of legitimacy theory, raises the issue of credibility of the information disclosed in social reports, adding to the findings of previous literature (Chiba et al., 2018; del Sordo et al., 2016; Farneti and Siboni, 2011; Guthrie and Farneti, 2008). We argue that the organisation is keen to show its contribution towards a sustainable future and towards SDGs because this may be a way of seeking legitimacy from stakeholders. Previous studies support the idea that the search for legitimacy drives social and environmental disclosure and, as a consequence, this disclosure is mainly intended to improve the image and reputation of the organisation (Michelon et al., 2015), in terms of socially responsible behaviours (Guthrie and Parker, 1990). As Gray et al. (1995) suggest, social reports can be a mechanism by which the organisation satisfies stakeholder expectations and

manipulates performance in the social and environmental domain, exploiting disclosure for public relations purposes (Guthrie and Parker, 1990, p. 165). Our findings support the view of Tinker and Lowe (1980), who argue that social reports are an attempt to mediate and accommodate a variety of interests, among which a key one is self-interest (Guthrie and Parker, 1990, p. 166) at the expense, paradoxically, of social interests. While empirical evidence obtained from this study is of limited scope, it does suggest that legitimacy theory applied to social disclosure is effective and thus may contribute to our understanding of observed development in public sector organisation social report practices. Social reports have changed over time in response to different pressures, accommodating specific governance interests and thus protecting the organisation's reputation and image. This paper is consistent with previous studies (Marcuccio and Steccolini, 2009; Niemann and Hoppe, 2016, 2018) that find that local governments produce stand-alone reports in the pursuit of public legitimacy.

Finally, we consider the evolution and changing nature of reporting practices relating to disclosures in social reports. This research highlights the importance of local initiatives, such as the Italian guidelines, as a means of enhancing social report disclosures and reinforces the call for a recognised standard by Greco et al. (2012, p. 685): "Italian culture … shows the tendency to prefer explicit laws and rules governing social behaviour consequently reducing unpredictability". It has also been argued that legislation associated with the stewardship concept can be an essential means to elicit specific disclosures (Dumay et al., 2019). Furthermore, it has been observed that no legislative framework exists to regulate this reporting practice (Adams et al., 2014). Legislation that specifies guidelines would help provinces to develop their reporting practice. We recommend intervention at the regulatory level to support social and environmental disclosure. Thus, if an accounting technology, such as social reports, can support action towards sustainable development, as indicated by Bebbington and Thomson (2013), mandatory sustainability reporting guidelines are needed (Goswami and Lodhia, 2014).

Rinaldi et al. (2018, p. 22) drafted an agenda for investigation of integrated reporting that recognises that research can provide a significant contribution to understanding the evolution of best practice in context, especially when it has not yet been consolidated into a norm. Our study, which refers to a best practice, finds that social reporting practice developed in the Province was heavily contingent on other factors. For example, the social and gender reports produced depended heavily on the political context in which the Province was embedded. And, notably, the decision to disclose social and gender information depended heavily on the political governance of the Province during those 10 years. One critical individual, the Province's President, drove these decisions, and when this person left, the practice lapsed. This may support the view that organisational actions are driven by the self-interest

of individuals within the organisation as when the key individual driving social reports left the organisation, the social reports were discontinued suggesting this was an individual rather than corporate practice.

Additionally, changes in legislation constrained provincial budgets and their activities (Law 56/2014), which may have been another influential factor in the demise of the Province's reporting practice. The Province produced eight social reports over a decade and then stopped because non-financial information reporting was a discretionary activity that one person chose to pursue. Therefore, we renew the call for policymakers to enact specific legislation mandating that the Italian public sector demonstrates its contribution to sustainable development for current and future generations.

7. Conclusions and Future Research

The aim of this study was to add empirical knowledge to the practice of social reports in the public sector and, in this case, Italian local governments, which addresses the call by Niemann and Hoppe (2018) to investigate reporting practices by local governments from a longitudinal perspective. There is an increasing demand for reporting on social and environmental topics by all type of organisations as indicated by the SDGs (UN, 2015) and greater expectations from stakeholders. Thus, the disclosure practices studied in this Italian local government organisation provide evidence to inform and add to the debate on the need for systematic and mandatory sustainability disclosures for the public sector.

Our findings suggest that producing stand-alone social reports is not sufficient because often disclosed information is inconsistent and incomplete and information is cherry-picked, in line with legitimacy theory (Chiba et al., 2018, pp. 329-330). Thus, we argue that the role of accounting, through the social report, can be significant if applied via an accepted framework, rather than just for the motivation of gaining legitimacy. This framework would assist and facilitate the accounting profession, specifically the professionals in charge of developing the reports.

Sustainability reporting is '"often portrayed as magic, a 'jack of all trades' tool simultaneously fostering better policymaking and citizen engagement" (Niemann and Hoppe, 2018, p. 202). We argue that providing social reports is not enough because social reports can be informed by "managerialist information" (Dumay et al., 2010, p. 543) aimed at legitimising the activities of the organisation and enabling 'business as usual' (Milne and Gray, 2013, p. 13). A more systematic, legislated and rigorous tool applied to the public sector may support improved disclosure that is not simply public relations exercises. Disclosing according to sustainable development goals, such as the UNSDGs would go some way to enabling this.

Systematic and mandatory reports, related to a "broader theoretical engagement in the social and organisational context of the public sector" (Niemann and Hoppe, 2018, p. 202) can support strategic behaviour, acting towards building a sustainable future (UN, 2015) for communities. This activity should be guided by specific regulations requiring a minimum standard disclosure, developed on specific guidelines or principles, and the reporting audited to ensure disclosed information is relevant, accurate, reliable and transparent.

Further research on public sector organisations is recommended to strengthen and complement these findings. For example, an international comparison could be used, similar to that of Goswami and Lodhia (2014), to compare practices in places where there are regulations for disclosure, such as France (CGDD, 2012), with places where no specific regulation exists. Further, empirical research could analyse the use of different reporting media (Lohdia, 2018) by organisations.

Georgakopoulos and Thomson (2008, p. 1119) state that:

> *[Social] reports should be educative, promote debate, change our knowledge of situations, suggest corrective actions and create space to enable action. Social reports should allow a meaningful critique of the reporting entity, a questioning of decision makers and monitoring compliance with internal or external standards…. They also should enable a critique of these standards, social norms, regulations and legislation.*

In analysing the social reports of the Province, we found the Province made longitudinal improvements in its disclosures, but these advances were contingent on an individual driving the reporting practice, political will and financial resources to gain legitimacy. However, disclosure was still managerial in nature and no meaningful critique, or indication of corrective actions, was observed. When there were cuts in funding, changes in the law and new political governance, the social and gender reports vanished.

The public sector should contribute to environmental and human development (Bebbington and Unerman, 2018). Thus, it is important for accounting technologies, such as social reports, to become systematic standard practice. Given that voluntary reporting has failed, mandatory requirements for social and environmental disclosure are needed based on the 2030 UN Agenda for Sustainable Development Goals. In this regard, governments and supra-national institutions should be guided by the SDGs' contents to inform the development of regulations that ensure public sector organisations disclose relevant social and environmental information.

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Table 1: Social reports analysed during the ten years period

Social Reports	
Years	Combinations
2006 social report	2004-2009 mandate report
2007 social report	2009-2013 mandate report + gender report
2009 social report + gender report	
2010 social report + gender report	
2011 social report + gender report + environmental budget	
2012 social report + gender report	

Table 2: Content analysis results classified by GRI aspects and elements, indicating the total index

GRI Aspects	Amount of GRI possible elements per aspect	Total Index (all reports)
1. Strategy and analysis	2	**87.5%**
2.Organisational profile	10	**85%**
3.Report parameters	13	**55.8%**
4.Governance,commitments and engagements	17	**60.3%**
5.Economic performance indicators	9	**40.3%**
6.Environmental performance indicators	30	**18.8%**
7.Social performance indicators – Labour practices and decent work, performance indicators	15	**46.7%**
8.Social performance indicators – Human rights performance indicators	11	**1.1%**
9.Social performance indicators – Society performance indicators	10	**5%**
10. Social performance indicators – Product responsibility performance indicators	9	**8.3%**
11. Public agencies	15	**60%**
Grand Total	**141**	**38.6%**

Table 3: Evolution of disclosure over the analysed decade

Row Labels	Co	2006			2007			2008			2009			2010			2011			2012			2009/13		
		Obsv	All ind	'Indx	Obsv	All ind	'Indx	Obsv	All ind	'Indx	Obsv	All ind	'Indx	Obsv	All ind	'Indx	Obsv	All ind	'Indx	Obsv	All ind	'Indx	Obsv	All ind	'Indx
1.SA		1	2	50,0%	1	2	50,0%	2	2	100,0%	2	2	100,0%	2	2	100,0%	2	2	100,0%	2	2	100,0%	2	2	100,0%
2.OP		8	10	80,0%	8	10	80,0%	8	10	80,0%	8	10	80,0%	8	10	80,0%	9	10	90,0%	9	10	90,0%	10	10	100,0%
3.RP		5	13	38,5%	7	13	53,8%	8	13	61,5%	7	13	53,8%	7	13	53,8%	8	13	61,5%	8	13	61,5%	8	13	61,5%
4.CGE		8	17	47,1%	9	17	52,9%	9	17	52,9%	10	17	58,8%	10	17	58,8%	11	17	64,7%	13	17	76,5%	12	17	70,6%
5.EC		4	9	44,4%	4	9	44,4%	4	9	44,4%	3	9	33,3%	4	9	44,4%	4	9	44,4%	3	9	33,3%	3	9	33,3%
6.EN		3	30	10,0%	6	30	20,0%	6	30	20,0%	5	30	16,7%	6	30	20,0%	1	30	3,3%	7	30	23,3%	11	30	36,7%
7.LA		6	15	40,0%	6	15	40,0%	7	15	46,7%	6	15	40,0%	6	15	40,0%	7	15	46,7%	9	15	60,0%	9	15	60,0%
8.HR		0	11	0,0%	0	11	0,0%	0	11	0,0%	0	11	0,0%	0	11	0,0%	0	11	0,0%	0	11	0,0%	1	11	9,1%
9.SO		0	10	0,0%	0	10	0,0%	0	10	0,0%	0	10	0,0%	0	10	0,0%	0	10	0,0%	2	10	20,0%	2	10	20,0%
10.PR		0	9	0,0%	1	9	11,1%	0	9	0,0%	1	9	11,1%	1	9	11,1%	1	9	11,1%	1	9	11,1%	1	9	11,1%
11.PA		9	15	60,0%	9	15	60,0%	7	15	46,7%	9	15	60,0%	8	15	53,3%	8	15	53,3%	10	15	66,7%	12	15	80,0%
Grand Total		**44**	**141**	**31,2%**	**51**	**141**	**36,2%**	**51**	**141**	**36,2%**	**51**	**141**	**36,2%**	**52**	**141**	**36,9%**	**51**	**141**	**36,2%**	**64**	**141**	**45,4%**	**71**	**141**	**50,4%**

Table 4: Type of social report disclosure

	2006		2007		2008		2009		2010		2011		2012		2009/13	
Quality of the information	N° Type	%	N° Type	%	N° Type	%	N° Type	%	N° Type	%	N° Type	%	N° Type	%	N° Type	%
1 - Descriptive	28	63.6%	32	62.7%	35	68.6%	36	70.6%	36	69.2%	37	72.5%	27	42.2%	35	49.3%
2 - Monetary	5	11.4%	5	9.8%	3	5.9%	3	5.9%	3	5.8%	3	5.9%	4	6.3%	4	5.6%
3 - Non-Monetary	9	20.5%	12	23.5%	12	23.5%	12	23.5%	13	25.0%	11	21.6%	25	39.1%	16	22.5%

4 - Monetary and Non-Monetary	2	4.5%	2	3.9%	1	2.0%	0	0.0%	0	0.0%	0	0.0%	8	12.5%	16	22.5%
TOTAL	44	100.0%	51	100.0%	51	100.0%	51	100.0%	52	100.0%	51	100.0%	64	100.0%	71	100.0%

Appendix 1: Indication of the Aspects, elements and description reported in Table 2

Category	Indicator	Core/Added	Description
1.SA	1.1	Core	1.1 Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.
1.SA	1.2	Core	1.2 Description of key impacts, risks, and opportunities. The reporting organization should provide two concise narrative sections on key impacts, risks, and opportunities.
2.OP	2.1	Core	2.1 Name of the organization.
2.OP	2.2	Core	2.2 Primary brands, products, and/or services. The reporting organization should indicate the nature of its role in providing these products and services, and the degree to which it utilizes outsourcing
2.OP	2.3	Core	2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.
2.OP	2.4	Core	2.4 Location of organization's headquarters.
2.OP	2.5	Core	2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.
2.OP	2.6	Core	2.6 Nature of ownership and legal form.
2.OP	2.7	Core	2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).
2.OP	2.8	Core	2.8 Scale of the reporting organization

2.OP	2.9	Core	2.9 Significant changes during the reporting period regarding size, structure, or ownership.
2.OP	2.10	Core	2.10 Awards received in the reporting period.
3.RP	3.1	Core	3.1 Reporting period (e.g., fiscal/calendar year) for information provided.
3.RP	3.2	Core	3.2 Date of most recent previous report (if any).
3.RP	3.3	Core	3.3 Reporting cycle (annual, biennial, etc.)
3.RP	3.4	Core	3.4 Contact point for questions regarding the report or its contents.
3.RP	3.5	Core	3.5 Process for defining report content
3.RP	3.6	Core	3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.
3.RP	3.7	Core	3.7 State any specific limitations on the scope or boundary of the report. If boundary and scope do not address the full range of material economic, environmental, and social impacts of the organization, state the strategy and projected timeline for providing complete coverage.
3.RP	3.8	Core	3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.
3.RP	3.9	Core	3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.
3.RP	3.10	Core	3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).
3.RP	3.11	Core	3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.
3.RP	3.12	Core	3.12 Table identifying the location of the Standard Disclosures in the report

3.RP	3.13	Core	3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).
4.CGE	4.1	Core	4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. Describe the mandate and composition (including number of independent members and/or non executive members) of the highest governance body and its committees, and indicate each individual's position and any direct responsibility for economic, social, and environmental performance.
4.CGE	4.2	Core	4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).
4.CGE	4.3	Core	4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members. State how the organization defines 'independent' and 'non-executive'. This element applies only for organizations that have unitary board structures. See the glossary for a definition of 'independent'.
4.CGE	4.4	Core	4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.
4.CGE	4.5	Core	4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).
4.CGE	4.6	Core	4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

4.CGE	4.7	Core	4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.
4.CGE	4.8	Core	4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.
4.CGE	4.9	Core	4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. Include frequency with which the highest governance body assesses sustainability performance.
4.CGE	4.10	Core	4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.
4.CGE	4.11	Core	4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization. Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organization's approach to risk management in operational planning or the development and introduction of new products.
4.CGE	4.12	Core	4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. Include date of adoption, countries/operations where applied, and the range of stakeholders involved in the development and governance of these initiatives (e.g., multi-stakeholder, etc.). Differentiate between non-binding, voluntary initiatives and those with which the organization has an obligation to comply.
4.CGE	4.13	Core	4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:
4.CGE	4.14	Core	4.14 List of stakeholder groups engaged by the organization.

4.CGE	4.15	Core	4.15 Basis for identification and selection of stakeholders with whom to engage. This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.
4.CGE	4.16	Core	4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. This could include surveys, focus groups, community panels, corporate advisory panels, written communication, management/union structures, and other vehicles. The organization should indicate whether any of the engagement was undertaken specifically as part of the report preparation process.
4.CGE	4.17	Core	4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.
5.EC	EC1	Core	EC1 (core) - Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
5.EC	EC2	Core	EC2 (core) - Financial implications and other risks and opportunities for the organization's activities due to climate change.
5.EC	EC3	Core	EC3(core) - Coverage of the organization's defined benefit plan obligations.
5.EC	EC4	Core	EC4(core) - Significant financial assistance received from government.
5.EC	EC5	Add	EC5(add) - Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
5.EC	EC6	Core	EC6(core) - Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
5.EC	EC7	Core	EC7(Core) - Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.
5.EC	EC8	Core	EC8(core) - Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.

5.EC	EC9	Add	EC9(add) - Understanding and describing significant indirect economic impacts, including the extent of impacts.
6.EN	EN1	Core	EN1(core) - Material used by weight or volume
6.EN	EN2	Core	EN2(core) - Percentage of materials used that are recycled input materials.
6.EN	EN3	Core	EN3(core) - Direct energy consumption by primary energy source.
6.EN	EN4	Core	EN4(core) - Indirect energy consumption by primary source.
6.EN	EN5	Add	EN5(add) - Energy saved due to conservation and efficiency improvements.
6.EN	EN6	Add	EN6(add) - Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.
6.EN	EN7	Add	EN7(add) - Initiatives to reduce indirect energy consumption and reductions achieved.
6.EN	EN8	Core	EN8(core) - Total water withdrawal by source.
6.EN	EN9	Add	EN9(add) - Water sources significantly affected by withdrawal of water.
6.EN	EN10	Add	EN10(add) - Percentage and total volume of water recycled and reused.
6.EN	EN11	Core	EN11(core) - Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
6.EN	EN12	Core	EN12(core) - Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
6.EN	EN13	Add	EN13(add) - Habitats protected or restored.
6.EN	EN14	Add	EN14(add) - Strategies, current actions, and future plans for managing impacts on biodiversity.
6.EN	EN15	Add	EN15(add) - Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.
6.EN	EN16	Core	EN16(core) - Total direct and indirect greenhouse gas emissions by weight.
6.EN	EN17	Core	EN17(core) - Other relevant indirect greenhouse gas emissions by weight.
6.EN	EN18	Add	EN18(add) - Initiatives to reduce greenhouse gas emissions and reductions achieved.

6.EN	EN19	Core	EN19(core) - Emissions of ozone-depleting substances by weight.
6.EN	EN20	Core	EN20 (core) - NO, SO, and other significant air emissions by type and weight.
6.EN	EN21	Core	EN21(core) - Total water discharge by quality and destination.
6.EN	EN22	Core	EN22(core) - Total weight of waste by type and disposal method.
6.EN	EN23	Core	EN23(core) - Total number and volume of significant spills.
6.EN	EN24	Add	EN24 (add) - Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.
6.EN	EN25	Add	EN25 (add) - Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff .
6.EN	EN26	Core	EN26(core) - Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
6.EN	EN27	Core	EN27(core) - Percentage of products sold and their packaging materials that are reclaimed by category.
6.EN	EN28	Core	EN28(core) - Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.
6.EN	EN29	Add	EN29(add) - Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
6.EN	EN30	Add	EN30(add) - Total environmental protection expenditures and investments by type.
7.LA	LA1	Core	LA1(core) - Total workforce by employment type, employment contract, and region, broken down by gender.
7.LA	LA2	Core	LA2(core) - Total number and rate of new employee hires and employee turnover by age group, gender, and region.
7.LA	LA3	Add	LA3(add) - Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.
7.LA	LA4	Core	LA4(core) - Percentage of employees covered by collective bargaining agreements.

7.LA	LA5	Core	LA5(core) - Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.
7.LA	LA6	Add	LA6(add) - Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.
7.LA	LA7	Core	LA7(core) - Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender.
7.LA	LA8	Core	LA8(core) - Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
7.LA	LA9	Add	LA9(add) - Health and safety topics covered in formal agreements with trade unions.
7.LA	LA10	Core	LA10(core) - Average hours of training per year per employee by gender, and by employee category.
7.LA	LA11	Add	LA11(add) - Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
7.LA	LA12	Add	LA12(add) - Percentage of employees receiving regular performance and career development reviews by gender.
7.LA	LA13	Add	LA13(add) - Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.
7.LA	LA14	Core	LA14(core) - Ratio of basic salary and remuneration of men to women to men by employee category, by significant locations of operation.
7.LA	LA15	Core	LA15- Return to work and retention rate after parental leave, by gender.
8.HR	HR1	Core	HR1(core) - Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.
8.HR	HR2	Core	HR2(core) - Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

8.HR	HR3	Add	HR3(add) - Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.
8.HR	HR4	Core	HR4(core) - Total number of incidents of discrimination and corrective actions taken.
8.HR	HR5	Core	HR5(core) -Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.
8.HR	HR6	Core	HR6(core) - Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.
8.HR	HR7	Core	HR7(core) - Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.
8.HR	HR8	Add	HR8(add) - Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.
8.HR	HR9	Core	HR9(core) - Total number of incidents of violations involving rights of indigenous people and actions taken.
8.HR	HR10	Core	HR10 - Percentage and total number of operations that have been subject to human right review and/or impact assessment.
8.HR	HR11	Core	HR11 - Number of grivances related to human rights fields, addressed, and resolved through formal grievancies mechanism.
9.SO	SO1	Core	SO1(core) - Percentage of operations with implemented local community engagement, impact assessments, and development programs.
9.SO	SO2	Core	SO2(core) - Percentage and total number of business units analyzed for risks related to corruption.
9.SO	SO3	Core	SO3(core) - Percentage of employees trained in organization's anti-corruption policies and procedures.
9.SO	SO4	Core	SO4(core) - Actions taken in response to incidents of corruption.
9.SO	SO5	Core	SO5(core) - Public policy positions and participation in public policy development and lobbying.

9.SO	SO6	Add	SO6(add) - Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.
9.SO	SO7	Add	SO7(add) - Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.
9.SO	SO8	Core	SO8(core) - Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.
9.SO	SO9	Core	SO9 - Operations with significant potential or actual negative impact on local communities.
9.SO	SO10	Core	SO10 - Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.
10.PR	PR1	Core	PR1(core) - Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.
10.PR	PR2	Add	PR2(add) - Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.
10.PR	PR3	Core	PR3(core) - Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.
10.PR	PR4	Add	PR4(add) - Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.
10.PR	PR5	Add	PR5(add) - Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.
10.PR	PR6	Core	PR6(core) - Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
10.PR	PR7	Add	PR7(add) - Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.
10.PR	PR8	Add	PR8(add) - Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

10.PR	PR9	Core	PR9(core) - Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.
11.PA	PA1	Core	Describe the relationship to other governments or public authorities and the position of the agency within its immediate governmental structures
11.PA	PA2	Core	State the definition of sustainable development used by the public agency, and identify any statements or principles adopted to guide sustainable development polices.
11.PA	PA3	Core	Identify the aspects for which the organisation has established sustainable development policies.
11.PA	PA4	Core	Identify the specific goals of the organisation for the each aspects listed in PA3.
11.PA	PA5	Core	Describe the process by which the aspects and goals in both PA3 and PA4 were set.
11.PA	PA6	Core	For each goal, provide the following information: implementation measures, results of relevant assessments of the effectiveness of those measures before they are implemented; state targets and key indicators used to monitor progress, with a focus on outcomes; description of progress with respect to goals and targets in the reporting periods, including results of key indicators; actions to ensure continuous improvement towards reaching the public agency's goals and targets; and post-implementation assessment and targets for next period.
11.PA	PA7	Core	Describe the role of and engagement with stakeholders with respect to the items disclosed in PA6.
11.PA	PA8	Core	Gross expenditures broken down by type of payment
11.PA	PA9	Core	Gross expenditures broken down by financial classification.
11.PA	PA10	Core	Capital expenditures by financial classification.
11.PA	PA11	Core	Describe procurement policy of the public agency as relates to sustainable development.
11.PA	PA12	Core	Describe economic, environmental, and social criteria that apply to expenditures and financial commitments.
11.PA	PA13	Core	Describe linkages between the public agency’s procurement practices and its public policy priorities.

11.PA	PA14	Core	Percentage of the total value of goods purchased that were registered with voluntary environmental or social labels and/or certification programmes, broken down by type.
11.PA	PA15	Core	Describe the results of assessments of the efficiency and effectiveness of services provided by the public agency, including the actions taken to achieve improvements in service delivery.

[1] *Oscar di Bilancio* is the Italian Financial Statements National Award introduced in 1954 by the Institute for Public Relations with the aim of rewarding the best information quality and communication in organisational reporting (Farneti and Rammal, 2013).