# Article information:

Full article: Sustainability Reporting and Value Creation  
<https://www.tandfonline.com/doi/abs/10.1080/0969160X.2020.1837643>

# Article summary:

1. The late Professor Rob Gray's analysis of sustainability reporting and its relationship with value creation in 2006 has come under increased scrutiny in recent years.

2. There has been a struggle for power between framework and standard setters, organizations representing business, and the Big 4 seeking to provide an enduring answer to questions posed by Gray.

3. While there have been some positive developments in sustainability reporting standard setting, such as the International <IR> Framework and the Global Reporting Initiative Standards, there is still a need for more focus on achieving the UN Sustainable Development Goals to create long-term value for providers of finance.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article "Sustainability Reporting and Value Creation" by Professor Rob Gray MBE, published in the Accounting Auditing and Accountability Journal in 2006, is analyzed and critiqued in this piece. The author examines the relevance of Gray's analysis today and critiques recent developments in sustainability reporting standard setting and current thinking on value creation in light of it.

The article provides a comprehensive overview of Gray's analysis, which questions whether social, environmental, and sustainability accounting and reporting can or should contribute to shareholder value. Gray argues that the focus on profits is short-term and that reporting is driven by a concern with potential variations in the short-term profit figure. He presents three possible approaches to sustainability reporting: business-as(-almost)-usual; triple bottom line; and eco-justice informed.

The author agrees with Gray's analysis of the Global Reporting Initiative (GRI) as being an influence on 'business-as(-almost)-usual' at that time but not the 'dominant' influence. However, he notes that there has been a shift over the last few years through his involvement with GRI. The guidelines have since been replaced by Standards, which require companies to disclose their processes for engaging stakeholders and determining material issues, governing body oversight of the sustainability report is required, external assurance is encouraged, and impact on broader stakeholders must be considered.

The author also discusses recent developments such as the World Economic Forum (WEF) report proposing 21 core indicators providing little incentive for businesses to focus on adapting their strategy to make a positive contribution to sustainable development. He notes that any 'harmonization' effort to retrospectively align current reporting frameworks and standards that fails to make achieving the Sustainable Development Goals (SDGs) central will likely trigger the end of the human race.

Overall, this article provides a critical analysis of Gray's work while also highlighting recent developments in sustainability reporting standard setting. However, it could benefit from exploring counterarguments and presenting both sides equally. Additionally, the author's bias towards achieving the SDGs is evident, which could be seen as promotional content.

# Topics for further research:

* Critiques of the Global Reporting Initiative Standards
* Short-termism in corporate reporting
* Triple bottom line reporting
* Eco-justice informed reporting
* World Economic Forum's proposed sustainability indicators
* Counterarguments to the relevance of sustainability reporting for shareholder value creation

# Report location:

<https://www.fullpicture.app/item/2c4a505757fd7d31648cb447eebda9a7>