Navigating the plurality of sustainability reporting: Finnish practitioner and stakeholder perspectives

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This thesis provides a case study of the plurality of sustainability reporting in Finland based on interviews with eleven practitioners and stakeholders professionally engaged in the field in one way or another. The said plurality refers to the diverse practices encountered in the field of sustainability reporting alongside a multitude of different frameworks, guidelines, standards, regulation, ratings, scores, indexes, assurance customs, etc., and the aim of this thesis is to investigate how practitioners and stakeholders navigate this jungle in practice. By exploring the perspectives and views of the practitioners and stakeholders on the matter, the thesis reveals factors underlying engagement in sustainability reporting, challenges and benefits posed by its plurality, attitudes towards a harmonisation and unification of it, and anticipations and expectations for its future. Based on these findings, the thesis goes on to identify five institutional logics that underlie sustainability reporting in Finland. These logics help explain how the plurality of the field emerges and shed light on how practitioners and stakeholders navigate it.

From a scholarly point of view, the thesis expands on the academic understanding of how sustainability reporting is institutionalised as a field, and provides an unprecedented investigation of the institutional logics specific to such reporting in Finland. From a practical point of view, the thesis discloses the needs and demands of sustainability reporting managers, consultants, NGOs, investors, bankers, and other practitioners with regard to sustainability reporting. These findings can be used not only by the practitioners and stakeholders themselves to better understand and adapt to each other in their engagement with sustainability reporting, but also by regulators and standard setters to inform and guide their efforts to improve sustainability reporting.
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1 INTRODUCTION

Global challenges such as climate change, environmental degradation, inequality, poverty, and justice have brought issues of sustainability to the centre of public discourse and prompted a reconsideration of the role of business in society. Abandoning the traditional idea that the purpose of business is to maximise profits for shareholders, business has increasingly come to be characterised by the concepts of triple bottom line and shared value creation, which both emphasise the mutual benefits of and interrelationships between environment, society, and economy (Taticchi & Demartini, 2021). This development has been accompanied by the emergence of sustainability reporting through which companies disclose information about non-financial performance, and today more than 80 per cent of the world’s largest companies engage in such practice (KPMG, 2020). Unlike financial reporting, sustainability reporting has been largely unregulated until recently, stimulating an expanding and diverging market of different services and practices related to such reporting. As asserted in a recent report on responsibility in business by the Finnish innovation fund SITRA, “[t]he responsibility reporting jungle is abundant” (Hellström & Parkkonen, 2022, p. 10).

To practitioners and stakeholders engaged in sustainability reporting, the jungle – or plurality – described above represents a bewildering patchwork of diverse reporting provisions (e.g. frameworks, guidelines, standards, regulation, etc.), ratings (incl. scores, indices, etc.), and assurance providers and practices. For practical reasons, companies cannot comply with all provisions, cannot cater to all ratings, and cannot adhere to all assurance practices. Companies are, in other words, bound to make decisions as to what they want to pursue and achieve with their sustainability reporting. At the same time, investment firms, consultancies, NGOs, etc., have to deal with different companies reporting in different manners, with different ratings based on different metrics of assessment, and with different assurance practices. These various practitioners and stakeholders are, in turn, all under pressure from other parties with varying demands for reporting provisions, ratings, and assurance, in addition to different requirements regarding quality, transparency, credibility, etc. These difficulties naturally raise the issue of how the plurality of sustainability reporting is navigated in practice, and this issue serves as the focus of this thesis.

More specifically, the study of this thesis strives to shed light on how practitioners and stakeholders navigate and make sense of the plurality in the field of sustainability
reporting, and on how they regard the future of such reporting. For this purpose, the
study adopts an institutionalist approach which facilitates the study of how socially and
professionally acceptable practices of sustainability reporting come into being and
evolve, and of how practitioners and stakeholders interact and relate to each other.
Previous research has focused primarily on who engages in the institutionalisation of
sustainability reporting and why they do so, and secondarily on how the
institutionalisation takes place on an organisational level (for an overview of such
literature, see Farooq & de Villiers, 2019). By contrast, the institutionalisation of
sustainability reporting as a field has only received little attention in the literature
(Mahmood & Uddin, 2021). The research aim of this study is therefore to expand the
understanding of how the field of sustainability reporting is institutionalised through
This exploration takes the form of a case study of practitioner and stakeholder
perspectives on sustainability reporting based on the qualitative analysis of eleven
interviews with eleven professionals representing eleven organisations who are
engaged in such reporting in Finland (see Appendix 3).

1.1 Research questions
In the pursuit of the research aim outlined in the introduction above, this study centres
on two research questions. These research questions are designed to provide insights
into practitioner and stakeholder perspectives on both the current and future state of
sustainability reporting in Finland. These insights can, in turn, shed light on how
sustainability reporting and the plurality thereof is institutionalised. The research
questions will be the implicit focus of Chapters 2 through 5, and will subsequently be
explicitly addressed and answered in Chapter 6.

RQ1. How and according to which logics do practitioners and
stakeholders in Finland navigate the plurality of sustainabi-
li ty reporting?

RQ2. How do practitioners and stakeholders in Finland anticipate
that sustainability reporting and the plurality thereof will
evolve in the future?
As Bose (2020) argues, both practitioners and stakeholders tend to have different attitudes towards the plurality of sustainability reporting. While some view it as an obstacle and “bemoan the lack of standardization in frameworks and the consequent leeway in the measurement of sustainability performance,” others consider it a necessity “because the collective understanding of sustainability remains in flux” and because different practitioners and stakeholders have different goals which underline “the value of diverse approaches and experimentation to capturing value through security selection” (Bose, 2020, p. 29). Addressing such variation in attitudes, the first research question (RQ1) serves to elucidate different perspectives of practitioners and stakeholders in Finland with regard to the benefits and the challenges of both the plurality and the harmonisation of sustainability reporting. By doing so, this research question helps identifying the institutional logics that drive sustainability reporting and the plurality thereof. In turn, the second research question (RQ2) adds a future dimension to the discussion, providing a peek at potential upcoming tendencies in the institutionalisation of sustainability reporting. This research question can thus give an indication of where the field of sustainability reporting is headed, or at least where practitioners and stakeholders in Finland believe or wish it to be headed. This future perspective is particularly relevant in relation to on-going harmonisation and standardisation efforts as well as upcoming regulation concerning sustainability reporting (notably CSRD, ESRS, CSDDD).

1.2 Scope and limitations

In accordance with the research aim described in the introduction and the research questions presented in the previous section, this study presents an account of current practitioner and stakeholder perspectives on the institutional field of sustainability reporting, its plurality, and its future in Finland. The study thereby focuses on cognitive ideas, valuations, and explanations regarding sustainability reporting, showing how practitioners and stakeholders engaged in this field give meaning to their collective experiences. The study is therefore not preoccupied with specific processes of sustainability reporting, with particular sustainability reporting tools, or with how such reporting is integrated into individual organisation. For the same reason, the study does not attempt to evaluate the current state of sustainability reporting and its practices, and the study consequently takes a neutral stance on the issues of whether the plurality of sustainability reporting is good or bad, and whether a harmonisation of
the field is to be favoured or not. Likewise, the study does not assess whether sustainability reporting ought to be voluntary or mandatory. Thus, rather than being prescriptivist in nature, the study aims to be descriptive and interpretive, striving to provide a nuanced view on the plurality of sustainability reporting.

Given that all the practitioners and stakeholders interviewed for this study are engaged with sustainability reporting in Finland, the study has a decidedly Finnish outlook, and for this reason, its conclusions do not necessarily apply to sustainability reporting in other countries. In a similar vein, although the study aspires to provide a representative account of practitioner and stakeholder perspectives on the plurality of sustainability in Finland, its restrictive scope as a master’s thesis limits the number of practitioners and stakeholders interviewed for the study. Consequently, the views of the practitioners and stakeholders covered and presented in the study might not be shared by all practitioner and stakeholder groups. Furthermore, it is worth emphasising that sustainability reporting is a rapidly evolving field, and the findings of this study constitute a snapshot of the state of affairs in the time period around August-September 2022 when the interviews were conducted.

1.3 Thesis structure

In addition to this introductory chapter, the thesis features four chapters. Chapter 2 provides a literature review of research and theory relevant to the investigation of the research aim and questions discussed in the preceding sections. Next, Chapter 3 outlines the methodology of the data collection and analysis employed in the study, while Chapter 4 shows the results of the data collection and Chapter 5 provides an analysis thereof. Finally, Chapter 6 provides further discussion of the results and analysis, followed by conclusive remarks in Chapter 7.
2 LITERATURE REVIEW

This chapter describes the research context of this study, outlining the most central concepts, theories, and research relevant to the investigation of practitioner and stakeholder perspectives on the plurality of sustainability reporting. The chapter addresses what sustainability reporting is in the first place, why such reporting has become widespread in recent decades, who engages in it, how, and with which tools it is conducted (Section 2.1). Next, the chapter explains how and in which ways the field of sustainability reporting has been diverging in recent decades, leading to the plural nature of such reporting today, and also considers possible explanations for the divergence (Section 2.2). Subsequently, having discussed the plurality of sustainability reporting, the chapter examines the topical debate of whether or not such reporting ought to undergo harmonisation, addressing arguments both for and against it as well as the prospects therefor (Section 2.3). Finally, the chapter discusses the theory of institutional logics and how such theory can be applied to the study of sustainability reporting and the plurality thereof (Section 2.4).

2.1 Sustainability reporting

As Milne & Gray (2007, p. 185) argue, “[t]here are fundamental differences about what corporate reporting for sustainability means,” and these differences can be explained by the multifaceted and elusive nature of the concept sustainability itself. However, as the authors further argue, “the common basis of such reporting remains concerned with the economic, social and environmental impacts of the (mostly for-profit) organization, and the (good) intentions of its management” (original italics; Milne & Gray, 2007, ibid.). In line with this common basis, in this study sustainability reporting is defined in simple terms as the public disclosure by an organisation of information about its intentions and impacts regarding its environmental, social, and/or corporate governance. In this respect, sustainability reporting contrasts with financial reporting, which focuses on the disclosure of financial information. Consequently, sustainability reporting is occasionally also called non-financial reporting (Jørgensen et al., 2021). Other common denominations include corporate social responsibility reporting, sustainable development reporting, and triple bottom line reporting (Milne & Gray, 2007). The present study does not make any distinction regarding this nomenclature.
Regardless of terminology, the roots of sustainability reporting can be traced to the 1970s and early 1980s, when companies slowly began to establish and report on sustainability targets. As Tschopp & Nastanski (2014, p. 150) argue, such initiatives were a response to “increased public awareness, stakeholder pressure, and social concerns over practices such as sweatshop labor, and environmental disasters” that began to disseminate in the late 1960s. Tschopp & Nastanski (2014) consider this the first phase in the evolution of sustainability reporting. As concerns regarding sustainability were only beginning to gain ground at the time, this initial phase was characterised by a high degree of greenwashing with sustainability reporting being used primarily as a deceptive marketing tool for increasing profit, and for complying with emerging mandatory regulation on environmental management (Siew, 2015). A second phase characterised by initiatives to make sustainability reporting more substantive and transparent followed in the late 1980s and early 1990s, when sustainability reporting also came to be marked by growing focus not only on the environment but also on social governance (Tschopp & Nastanski, 2014). At roughly the same time, third-party assurance of sustainability reporting began to take off (Silvola & Vinnari, 2020), and the first sustainability ratings “meant for investors to evaluate firms based on factors other than solely financial performance” began to appear (Capizzi et al., 2021, p. 3).

Since the late 1990s, sustainability reporting has increasingly come to be characterised by a multistakeholder approach, as the voices of stakeholders with environmental and social concerns have become intensified and their expectations diversified (Tschopp & Nastanski, 2014). As discussed by Jørgensen et al. (2021, p. 342), this third and latest phase in the evolution of sustainability reporting is consequently marked by companies showing increasing “willingness to respond to such expectations, e.g. to comply with regulatory requirements, act in accordance with social norms and to act in ways that maintain a good reputation.” In a similar vein, Boiral et al. (2019, p. 309) argue that “[t]he rapid development of sustainability reporting assurance can be explained by increasing demand for reliable information on environment and social issues” by different stakeholders, and similar demands apply to sustainability ratings (Amel-Zadeh & Serafeim, 2018). The extent of engagement in sustainability reporting is described in more detail in Section 2.1.1, while Section 2.1.2 discusses the different practitioners and stakeholders engaged in such reporting, and Section 2.1.3 provides an overview of the various sustainability reporting tools (SRTs) used in the field.
2.1.1 Engagement in sustainability reporting

The growing willingness to engage in sustainability reporting discussed in the previous section reflects the emergence of a rapidly expanding market centred on sustainability with global sustainable responsible investments in North America, Australasia, Japan, and Europe alone reaching more than $35 trillion in assets under management at the beginning of 2020 (GSIA, 2021). Additionally, more than 3,000 investors with combined assets in excess of $100 trillion have signed the UN Principles for Responsible Investment and thereby commit to integrate sustainability information into future investment decisions (Berg et al., 2022). The extent of engagement in sustainability reporting is outlined in KPMG’s (2020) latest survey of sustainability reporting which covers 5,200 companies worldwide. As shown in Figure 1, the rate of companies reporting on sustainability has risen from approximately 12 per cent in 1993 to 18 per cent in 2002 before accelerating to 64 per cent in 2011 and reaching 80 per cent in 2020. Among the world’s 250 largest companies, the rate of engagement in sustainability reporting has already reached 96 per cent (KPMG, 2020).

![Figure 1](image-url)  
**Figure 1**  Engagement in sustainability reporting over time (KPMG, 2020)
The survey by KPMG (2020) also shows that independent third-party assurance of sustainability reporting has exceeded 50 per cent in 2020 compared to 33 per cent in 2005, making such assurance standard practice for mid- and large-cap companies worldwide. The world’s 250 largest companies lead the way in this respect, as 71 per cent of these companies employ third-party sustainability reporting assurance (KPMG, 2020). As Boiral et al. (2019, p. 309) argue, this proliferation of sustainability reporting assurance stems from a wish to “improve the reliability and credibility of corporate disclosure.”

2.1.2 Stakeholders in sustainability reporting

The statistics presented in the previous section cover corporate engagement in sustainability reporting, in other words companies producing sustainability reports and having them assured. However, sustainability reporting also involves a wide range of other practitioners and stakeholders. Hess (2014) distinguishes five such groups in what he describes as the “sustainability reporting system.” These five groups are briefly described in Table 1 alongside references to other relevant literature.

<table>
<thead>
<tr>
<th>Group</th>
<th>Description</th>
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<tr>
<td>Corporations</td>
<td>As Hess (2014, p. 9) notes, “[t]he action cycle of sustainability reporting begins with the disclosure of information by corporations on how they manage issues of sustainability and their performance against certain metrics.” The disclosure of information might be guided by standard setters as well as consulting and assurance services, and are ultimately further processed and read by intermediaries and end users. Drawing on agency theory, Carrion (2018) characterises this group as agents in contrast to the other groups who are principals: “The agent has information which the principal wants and, importantly, can only get with the assistance of the agent” (Carrion, 2018, p. 159).</td>
</tr>
<tr>
<td>Standard setters</td>
<td>According to Hess (2014, p. 11), standard setters “seek to ensure that reports produce a complete and accurate picture of a corporation’s efforts and performance, and that they meet various stakeholders’ information needs, including allowing the stakeholders to compare the performance of various corporations.” Standard setters can be divided into two main sub-groups: private organisations that develop voluntary reporting provisions, and governmental bodies that issue mandates and regulation (Christensen et al., 2019).</td>
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<tr>
<td>Consulting and assurance services</td>
<td>Hess (2014, p. 15) argues that “[r]egardless of which standard a corporation chooses (or is required) to use, it will likely need assistance from consultants to create the report and from auditors to provide verification services for those reports.” Consulting and assurance services thus co-produce legitimacy for their clients, while at the same time creating “legitimacy for both their service and their particular expertise to provide that service” (Michelon et al., 2019, p. 398).</td>
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As described later in relation to the data sampling of the present study (Section 3.1), practitioners and stakeholders from each stakeholder group in Table 1 have been interviewed for the present study in order to gain nuanced insights into their different perspectives on the plurality of sustainability reporting.

### 2.1.3 Sustainability reporting tools (SRTs)

When engaging with sustainability reporting, practitioners and stakeholders can make use of various sustainability reporting tools (SRTs) which Siew (2015, p. 181) argue “make it possible to demonstrate results by measuring progress and clarify consistency between activities, outputs, outcomes and goals.” Siew (2015) identifies three categories of such SRTs: frameworks, standards, and ratings. Siew (2015, pp. 181f.) defines frameworks as “principles, initiatives or guidelines provided to corporations to assist them in their disclosure efforts,” and standards as having a “similar function as frameworks but exist[ing] in the form of more formal documentation that spell out the requirements, specifications or characteristics that can be used to ensure that sustainability efforts are consistently achieved.” The conceptual boundaries between these two categories are evidently blurry, and following van der Lugt et al. (2020) and EY (2021), the term provision will instead be used in the present study as a collective denomination for both frameworks and standards, and for any other kind of legislation, regulation, code, guidance, guideline, etc., relating to sustainability reporting. Finally, Siew (2015, p. 182) defines ratings as “third party evaluation of a corporation’s sustainability or ESG performance.” Such evaluation, or rating, is typically based upon sustainability reports in combination with other publicly available data (Bose, 2020).
The three categories of SRTs described above are illustrated in Figure 2. In accordance with the terminological decision mentioned above, frameworks and standards are grouped together as provisions. Siew (2015) does not discuss sustainability reporting assurance in any detail, but given the prominent rise of such assurance described earlier in Section 2.1.1, this category is also included in Figure 2.

<table>
<thead>
<tr>
<th>Sustainability reporting tools (SRTs)</th>
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<tr>
<td>Provisions</td>
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<tr>
<td>Frameworks</td>
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<tr>
<td>Ratings</td>
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**Figure 2**  **Sustainability reporting tools (adapted from Siew, 2015)**

The SRTs in Figure 2 play different roles in sustainability reporting. Provisions are used to guide and produce sustainability reports, while ratings and assurance are based on the said sustainability reports. Companies thus have some degree of control with regard to the provisions they decide to use for reporting on sustainability (at least voluntary ones), but they cannot directly affect or determine the results and outcomes of ratings and assurance which both depend on third parties. Companies do also not have direct control over the opinions and views of stakeholders who assess their sustainability based on their sustainability reports, assurance thereof, and/or ratings. Nevertheless, each SRT can potentially have some effect and influence on the sustainability reporting of a company. To comply with certain provisions, the company must adhere to specific principles and formal requirements in its sustainability reporting. In turn, to achieve a high rating in terms of ESG performance, the company must strive to design its sustainability reporting to match the criteria of a given rating agency. Likewise, to ensure positive assurance, the company must be able to provide information that is relevant and required by a given assurance provider or standard.

### 2.2 Plurality of sustainability reporting

While financial reporting is highly standardised in Europe (notably IFRS), there are currently no universally recognised standards for sustainability reporting, and regulation on sustainability reporting is only beginning to gain ground. Although there are efforts underway to harmonise sustainability reporting, opinions differ as to if, how, and to what extent this can and should be done. Sustainability reporting has therefore
evolved into a perplexing patchwork of diverging practices over the past century with companies reporting on sustainability largely in a manner they see fit. In practice, different companies tend to assess materiality in different manners, develop KPIs in disparate ways, and differ as to how they present sustainability performance in their reporting (Farooq & de Villiers, 2019). Moreover, the sustainability efforts of companies are “subject to continuous prioritization,” for instance with regard to “which efforts should be conducted, which indicators should be chosen as measures of performance and which information should be disclosed” (Jørgensen et al., 2021, p. 342). This freedom of conduct has resulted not only in great plurality in the practices of sustainability reporting of individual organisation, but also in great plurality within each type of SRTs. As the market for sustainability reporting has expanded, so has the array of sustainability reporting provisions, ratings, and assurance providers. The plurality of these SRTs are discussed in Sections 2.2.1, 2.2.2, and 2.2.3, respectively. The underlying factors of the factors are subsequently considered in Section 2.2.4.

2.2.1 Plurality of reporting provisions

In a report prepared by the Global Reporting Initiative (GRI) and the University of Stellenbosch Business School, van der Lugt et al. (2020, p. 4) find that there are now more than 600 sustainability reporting provisions globally. Approximately 250 of these provisions are voluntary, while the remaining roughly 350 provisions are mandatory and thus represent regulation in one form or another. In both cases, the figures cover international, regional, and country-specific provisions, and practitioners and stakeholders do therefore not have to deal with each and every provision. However, given the great number of provisions in existence, most practitioners in most countries and regions of the world are likely to face diverse patchworks of both voluntary and mandatory sustainability reporting provisions, including in Finland. Thus, on the one hand, practitioners have to make choices with regard to the voluntary provisions with which they want to comply and adhere to. On the other hand, practitioners have to comply with mandatory provisions for legal reasons, and “[o]ne of the attendant challenges with sustainability-related disclosures is that there has not historically been a clear articulation of user and use case that is consistent to all jurisdictions” (EY, 2021, p. 13). Multinational corporations thus have to navigate in a jungle of mandatory provisions in “different jurisdictions having different public policy objectives and legal jurisprudence” (EY, 2021, ibid.).
As suggested by the statistics above, it is practically impossible to provide a discussion of all reporting provisions in existence. Furthermore, much research has already been dedicated to the discussion of similarities and dissimilarities as well as advantages and disadvantages of different voluntary reporting provisions (see, e.g., Adams & Narayan, 2007; Siew, 2015; Bose, 2020; Jørgensen et al., 2021). However, as discussed later in Chapter 4, the results of the present study clearly indicates that certain voluntary reporting provisions are more prevalent than others in Finland. These provisions are discussed in Section 4.2.4 (see also Appendix 4). In terms of mandatory reporting provisions, until 2022 the most pertinent provision for practitioners and stakeholders engaged with sustainability reporting in Finland has been the mandatory Non-Financial Reporting Directive (NFRD) which “requires certain large companies to disclose information on the way they operate and manage social and environmental challenges” (EC, 2022c). This directive has been followed by voluntary EU guidelines on disclosing environmental and social information (in 2017) and on reporting climate-related information (in 2019). The NFRD and the guidelines are to be enhanced in late 2022 by EU’s sustainable finance package encompassing a Corporate Sustainability Reporting Directive (CSRD) and a taxonomy for sustainable activities (EC, 2021).

Once in force, the CSRD amends the NFRD by extending coverage to all companies in regulated markets (excluding micro-enterprises), by introducing specific reporting requirements in the form of European Sustainability Reporting Standards (ESRS), and by requiring companies to have their reporting assured and made machine readable. The ESRS will be adapted to EU policies on sustainability, “while building on and contributing to international standardisation initiatives” (EC, 2022c). In turn, the taxonomy represents a classification system for economic activities that are environmentally sustainable (EC, 2022a). By establishing appropriate definitions for sustainable economic activities, the taxonomy can “create security for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments where they are most needed (EC, 2022d). Finally, as discussed later in Chapter 4, some practitioners and stakeholders are also beginning to ponder the effects of a future Corporate Sustainability Due Diligence Directive (CSDDD) proposed by the European Commission in early 2022 meant to “foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies’ operations and corporate governance” with a particular focus on value chains both inside and outside of the European Union (EC, 2022b).
2.2.2 Plurality of ratings and scores

Capizzi et al. (2021, p. 2) observe that as the result of “increasing attention to sustainability and social issues, a proliferation of ratings providers has characterized the last decades,” and a report by SustainAbility (2020) shows that there are now more than 600 different sustainability ratings globally. This proliferation has been marked by increasing diversity in terms of the agencies developing and maintaining ratings, “as more traditional investment data providers, credit rating agencies and others have entered the ratings marketplace” (SustainAbility, 2020, p. 6). The proliferation has also been marked by increasing complexity in terms of how sustainability ratings are designed. Capizzi et al. (2012, p. 4) argue that sustainability ratings are typically not comparable “due to discrepancies in definitions and evaluations of ESG constructs” and because “each ESG rating agency has developed a proprietary methodology with specific steps followed in the assessment of rated firms.” Furthermore, Windolph (2011, p. 43) notes that although the data upon which ratings are based are typically publicly available and disclosed by companies, “the ways that companies gather and communicate information are typically very different.”

Despite the large number of sustainability ratings in existence, Capizzi et al. (2021, p. 2) observe that “the ESG industry has seen a trend of consolidation with a few big players that, through a series of mergers and acquisitions currently dominate the ESG rating market.” However, Capizzi et al. (2021, p. 4) go on to argue that this has “less to do with best practices and more to do with the strategy of increasing market shares through mergers and acquisitions.” The ratings most prevalent in Finland according to the results in Chapter 4 are discussed in Section 4.2.4 (see also Appendix 4).

2.2.3 Plurality of third-party assurance

Citing decade-old data, Farooq & de Villiers (2018) speculate that there are over 350 sustainability reporting assurance providers operating worldwide. Considering more recent data on sustainability assurance, Channuntapipat et al. (2020) find that seventeen different providers have conducted sustainability reporting assurance for companies on FTSE100 alone. Given the growth in the independent third-party assurance of sustainability reporting described in Section 2.1.1, the number of providers worldwide is likely much higher. Boiral et al. (2019, p. 309) argue that although this development has been spurred by increasing demand for more reliable and credible
information on sustainability performance, “the professionalism of assurance providers, their independence and the quality of assurance statements have all been called into question.” More specifically, Boiral et al. (2019, p. 311) observe that “[t]he assurance process appears to be shaped by commercial pressures and managerial control over the disclosed information rather than by impartial and rigorous verification procedures,” adding that “[h]ow assurance processes are conducted may be mostly based on perfunctory procedures and the mimetic reproduction of practices well-established in the area of accounting that are not necessarily well adapted to the complex realities of sustainability issues.”

Farooq & de Villiers (2018, p. 145) note that the diverse practices attested in sustainability reporting assurance indicate “lack of consensus on how sustainability assurance engagement should be undertaken.” This lack of consensus has, in turn, resulted in the emergence of “numerous standards available that provide guidance to [sustainability assurance providers] on how to conduct the sustainability assurance engagement” (Farooq & de Villiers, 2018, ibid.). Thus, although sustainability reporting provisions (e.g. GRI) are occasionally used for guiding assurance (Farooq & de Villiers, 2018), producers of sustainability reporting and assurance providers also have access to standards designed specifically for this purpose. Two such standards dominate the market of sustainability reporting assurance, ISAE3000 and AA1000AS, which both “provide guidance on accepting and performing an engagement, the need for independence and competence, the use of materiality, and the importance of evidence gathering to support reliability and accuracy” (Michelon et al., 2019, p. 399). As the results in Chapter 4 suggest, the former standard dominates sustainability reporting in Finland, while the latter standard is rarely used (see also Appendix 4).

### 2.2.4 Underlying factors of plurality

In a comprehensive study on sustainability reporting and the different standards thereof, Christensen et al. (2019, pp. 11ff.) identify seven “key features” that differentiate sustainability reporting and its divergent practices from the more uniform nature of financial reporting. Christensen et al. (2019, p. 14) go on to argue that these features “predict considerable heterogeneity in firms’ reporting practices as well as significant challenges for measurement, comparability and standardization.” These features can therefore be treated not only as differences between sustainability and
financial reporting, but also as factors underlying the plurality of sustainability reporting. The seven factors are summarised in Table 2.

**Table 2 Underlying factors of plurality (Christensen et al., 2019)**

<table>
<thead>
<tr>
<th>Key feature</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Diversity of users and uses</td>
<td>Sustainability reports have a broad appeal and large base of readers given that their contents are generally widely accessible and comprehensible to laypersons.</td>
</tr>
<tr>
<td>Diversity of objective functions</td>
<td>Motivations for engaging in sustainability reporting are plentiful and varied.</td>
</tr>
<tr>
<td>Voluntary nature</td>
<td>Most sustainability reporting provisions are voluntary, and so is sustainability reporting assurance.</td>
</tr>
<tr>
<td>Long-term horizon</td>
<td>Sustainability reporting typically deals with long-term prospects which are both intangible and difficult to quantify.</td>
</tr>
<tr>
<td>Role of externalities</td>
<td>The importance given to externalities (e.g. activities outside the traditional boundaries of a company) varies considerably in sustainability reporting.</td>
</tr>
<tr>
<td>Diversity of topics</td>
<td>The scope of sustainability reporting is not clearly defined because sustainability itself is a multidimensional phenomenon with no clear conceptual boundaries, encompassing a vast range of different topics according to different interpretations of it.</td>
</tr>
<tr>
<td>Diversity in measurement</td>
<td>There is little uniformity in the data on which sustainability reporting relies, and the phenomena underlying the data are often difficult to measure, or are measured in different manners.</td>
</tr>
</tbody>
</table>

The first factor in Table 2 (diversity and of users and uses) highlights the diversity of opinions and expectations among different practitioners and stakeholders involved in sustainability reporting. For instance, investors and creditors review sustainability reports, evaluate the assurance thereof, and consider sustainability ratings in order to ensure good investments. By contrast, companies employ and engage with the same SRTs as part of their strategy to ensure continuous operations and become good investments. In turn, consultants assist both parties in achieving their goals. These different users and uses naturally have different needs, and these different needs stimulate an increasingly diverging market of reporting provisions, ratings, and assurance intended for different purposes and goals. For these reasons, different users typically possess different motivations for engaging in sustainability reporting, and the motivations in question are, in turn, commonly influenced by stakeholder pressure to some extent (Christensen et al., 2021). The first factor is thus intertwined with the second factor in Table 2 (diversity of objective functions). Stakeholder pressure might come from the bottom up through civic society calling for business “to implement progressive changes in the E, S and G spheres,” or from the top down through regulation and governmental action “promoting compliance and/or behavioral shifts through policy and best practices guidelines” (EY, 2021, p. 6). The pressure can come
from within the company as well, for instance from powerful managerial stakeholders, or from investors who use their “ownership stakes and capital allocation” as leverage to get a say in decision-making (EY, 2021, ibid.).

The matter of external pressure is further complicated and exacerbated by the fact that stakeholders do not only have different interests, but their interests often conflict with each other and might change over time and under different circumstances (Puroila & Mäkelä, 2019; Stocker et al., 2020). Unsurprisingly, the multidirectional stakeholder pressure can strain both human and financial resources which, in turn, might affect the quality of reporting and the reliability, credibility, and transparency thereof (Braam & Peeters, 2018; Khan et al., 2021). Evidently, different practitioners and stakeholders are likely to engage in different practices of sustainability reporting according to the contexts in which they conduct business. The varying practices are linked to the third (voluntary nature), fourth (long-term horizon), and fifth factors (role of externalities) underlying the plurality of sustainability in Table 2. Practitioners and stakeholders engaged in sustainability reporting must comply with regulation, while they are free to choose among the wealth of voluntary reporting provisions, ratings, and assurance standards and providers on the market. Likewise, different practitioners and stakeholders might deal with the long-time prospects of sustainability reporting in disparate ways, and pay different attention to the role of externalities, leading to further diversity in their practices (Christensen et al., 2019).

Finally, both the sixth factor (diversity of topics) and the seventh factor (diversity in measurement) in Table 2 relate to what Puroila & Mäkelä (2019, p. 1062) characterise as the “complex, chaotic and discursive nature” of sustainability data. With little consensus as to what topics sustainability reporting encompasses, practitioners and stakeholders involved therein are likely to interpret and delimit its scope in different manners. The same holds true for the measurement of sustainability data (Windolph, 2011; Tschopp & Nastanski, 2014; Bose, 2020; Capizzi et al., 2021). The lack of consensus on these matters poses significant challenges to practitioners and stakeholders, as they might struggle to interpret the specifications and requirements of different sustainability reporting provisions, ratings, and assurance standards and providers (Farooq & de Villiers, 2019).

Given that the various factors described in this section appear to diversify the field of sustainability reporting, many of them have been used in the literature as arguments for the harmonisation of sustainability reporting, as discussed in the next sections.
2.3 Harmonisation of sustainability reporting

The plurality of sustainability reporting described in the preceding sections has led to calls for a harmonisation (or unification or standardisation) of the field, especially in the wake of the COVID-19 pandemic which has “highlighted the interconnectedness between people, planet and profits – and particularly between health, poverty, climate change and the stability of the global financial system” (Adams & Abhayawansa, 2022, p. 1). As noted in a recent report on the future of sustainability reporting by EY (2021, p. 5), “[g]iven the lack of consensus over what reporting information is required and the need for comparability across and within jurisdictions, there has been a growing momentum towards a global harmonization of sustainability-related financial reporting standards” since the end of 2019. This momentum is the culmination of decades-long efforts to harmonise sustainability reporting (cf. Adams & Narayanan, 2007) based on the widespread assumption that “variety of practices impedes comparability and negatively affects the quality of the information for decision making by users” (Albu et al., 2013, p. 731). While sustainability reporting provisions tend to be at the centre of discussions concerning the harmonisation of sustainability reporting, efforts are also being directed specifically at the harmonisation of sustainability ratings (Capizzi et al., 2021) and sustainability reporting assurance (Boiral et al., 2019).

Although the harmonisation of sustainability reporting has undoubtedly garnered increasing attention in recent years, there is no consensus as to what extent such harmonisation is needed. In fact, Adams & Abhayawansa (2022, pp. 1, 6) argue that calls for harmonisation are shrouded in myths propagated by “a plethora of newspaper (particularly the Financial Times) and magazine articles” (original italics) and that “the debate around the future of sustainability reporting is fraught with political manoeuvres, platitudes with dissent behind closed doors, half-truths, misleading statements, meaningless compromises and disrespect for contribution to date.” Taking a neutral stance on the issue, the present study discusses arguments both for and against the harmonisation of sustainability reporting in Sections 2.3.1 and 2.3.2, respectively. In turn, Section 2.3.3 addresses the prospects for a harmonisation of sustainability reporting.

2.3.1 Arguments for harmonisation

As mentioned in the previous section, one of the main arguments for the harmonisation of sustainability reporting is that it can improve comparability and consistency within
the field. As argued by Tschopp & Nastanski (2014, p. 147), “[h]aving harmonized standards is important because they provide decision makers with reports they can compare and contrast.” By contrast, the lack of harmonisation is perceived to give “rise to difficulty in comparing and benchmarking sustainability performance” (Siew, 2015, p. 187). Tschopp & Nastanski (2014, p. 147) go as far as claiming that “[d]iffering standards reduce the credibility of information which deters investment and impedes economic growth” and that they “may also represent a trade barrier, impeding social and environmental performance.” There are, in other words, calls for “simpler ways of assessing sustainable development issues through comparable and consistent [use] of metrics” (Adams & Abhayawansa, 2022, p. 2). Jørgensen et al. (2021, p. 358) believe that much of the plurality in sustainability reporting stems from different understandings of materiality, arguing that if “efforts to harmonize the materiality concepts in sustainability reporting are unsuccessful, it may have detrimental effects for users of such information and for society at large more broadly.”

The sentiments described above evidently reflect a dissatisfaction with what has been characterised as an “alphabet soup” – the vast array of different sustainability reporting provisions typically known by their acronyms (cf. Appendix 4) – which overwhelms producers and consumers of sustainability reporting alike (Bose, 2020, p. 16). Similar dissatisfaction has been expressed for the diverse market of sustainability ratings which, due to the lack of harmonisation, is characterised by low comparability and transparency because rating agencies are free to keep “detailed descriptions and data on scores and weights confidential” (Capizzi et al., 2021, p. 19). In a similar vein, Boiral et al. (2019, p. 327) contend that the plurality of sustainability reporting assurance “poses serious challenges for assurance providers in search of greater professionalism.” As argued in EY’s (2021, p. 4) recent report on the future of sustainability reporting, “[t]he high number of guidelines about what ESG information is required or recommended to be disclosed means companies face barriers and strained resource capacities to focus on quality ESG disclosure.” More specifically, Tschopp & Nastanski (2014, p. 161) contend that “multiple inconsistent and incompatible reporting methods” can “create inefficiencies for users by requiring additional time and money spent on reporting, analysis, and verification.”

In combination with growing demands for varying sustainability information and disclosure by stakeholders, the alphabet soup described above has been reported to result in so-called “reporting fatigue” among companies (Bose, 2020, p. 16). Berg et al.
(2022) suggest that reporting fatigue can ultimately decrease some “companies’ incentives to improve their ESG performance.” In turn, Christensen et al. (2019, p. 16) argue that reluctance to improve sustainability performance and engage in sustainability reporting can have far-reaching negative consequences for sustainability at large, because “[a]lthough the incremental contribution of each firm’s disclosure is likely to be small,” it can provide “useful information about other firms in the form of information transfers and spillovers,” in other words positive externalities.

The arguments for the harmonisation of sustainability reporting addressed in this section above are summarised in Table 4 on the next page alongside a summary of the arguments against a harmonisation discussed in the next section.

### 2.3.2 Arguments against harmonisation

In a recent literature review of the harmonisation of sustainability reporting and of research and initiatives dedicated to it, Adams & Abhayawansa (2022) contend that arguments for harmonisation such as those described in the previous section tend to be based on the three myths which they go on to rebuff. The myths are summarised in Table 3 on the next page alongside counterarguments. Adams & Abhayawansa (2022, p. 11) do not oppose some degree of harmonisation in the field of sustainability reporting, but argue against the emergence of a single standard-setting body and against “financial materiality and metrics-based” approaches which can prove “misleading” and “detrimental to the long-term sustainability of capital markets and a step backwards from decades of progress that has been made in sustainability reporting.” Harmonisation is, in other words, not a guarantee for comparability nor for transparency and credibility for that matter. Furthermore, companies might be largely indifferent or oblivious to the issue of harmonisation in the first place. For instance, Albu et al. (2013, p. 740) argue that plurality in sustainability reporting can “serve various purposes of reporting, and comparability is rarely an objective from the companies’ point of view.” Instead, companies might use different “standards and reporting for signalling, for attracting resources, or for complying with powerful actors’ expectations” (Albu et al., 2013, p. 740). In such cases, the plurality does not necessarily reflect a sense reporting fatigue; on the contrary, “there is an argument to be made for the benefits of diversity and the pitfalls of analytical monocultures in the evaluation of ESG performance” (Bose, 2020, p. 16). Likewise, Adams & Narayanan
(2007, p. 83) consider it unlikely that any one standard would be able to “address all of an organization’s perceived needs.”

Table 3 Myths of sustainability reporting (Adams & Abhayawansa, 2020)

<table>
<thead>
<tr>
<th>Myth</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is an urgent need for a global sustainability standard-setting body</td>
<td>Adams &amp; Abhayawansa (2022, p. 7) observe that often demands for the harmonisation of sustainability reporting do not actually “call for a single set of standards but intend to prompt elimination of overlaps, confusions and redundancies between existing standards, guidelines and frameworks.” By contrast, “calls for a single set of standards [have] not been backed by an independent assessment of the merits and demerits of existing sustainability standard-setting bodies,” and it is unclear which standard-setting body would deserve the monopoly to determine future sustainability reporting practices locally and globally (Adams &amp; Abhayawansa, 2020, p. 7).</td>
</tr>
<tr>
<td>Financial materiality should be paramount in the determination of what to disclose</td>
<td>Adams &amp; Abhayawansa (2022, p. 2) argue that “while companies have broadened their thinking about value beyond profit in recent years, the discourse around the ‘harmonisation’ of ‘sustainability reporting’ has narrowed from value creation for the organisation and society to one of ‘enterprise value creation.’” Adams &amp; Abhayawansa (2022, p. 8) believes that this myth “is perhaps the most troubling of all,” as it contradicts the idea of sustainability reporting as being a means for disclosing significant impacts not only on profits but also on society and on the environment.</td>
</tr>
<tr>
<td>Consistent and comparable metrics should be a priority</td>
<td>Highlighting the “complex, interconnected, dynamic and uncertain” nature of sustainability issues, Adams &amp; Abhayawansa (2020, p. 9) contend that reducing “complexity by promoting consistency and comparability will only result in partial and potentially flawed information,” treading “the richness and unique nature of disclosures.” Moreover, Adams &amp; Abhayawansa (2020, ibid.) speculate that “[c]omparable metrics are unlikely to provide materials benefits” in any case because “those conducting company valuations do not have full faith in company-provided metrics” anyway.</td>
</tr>
</tbody>
</table>

The arguments against the standardisation of sustainability reporting described further above are summarised in Table 4 alongside a summary of the arguments for a standardisation presented in the previous section.

Table 4 Arguments for/against the standardisation of sustainability reporting

| Arguments for the standardisation of sustainability reporting | - Standardisation enhances comparability  |
|                                                             | - Standardisation enhances transparency  |
|                                                             | - Standardisation enhances credibility  |
|                                                             | - Standardisation reduces reporting fatigue |
|                                                             | - Standardisation increases positive externalities |
|                                                             | - Standardisation improves economic growth |

| Arguments against the standardisation of sustainability reporting | - Standardisation does not guarantee comparability |
|                                                                | - Standardisation does not guarantee transparency |
|                                                                | - Standardisation does not guarantee credibility |
|                                                                | - Reporting fatigue is not a universal phenomenon |
|                                                                | - Calls for a global standard-setting are not universal |
|                                                                | - Standardisation increases focus on financial materiality |
2.3.3 Prospects for harmonisation

Regardless of arguments for and against the harmonisation of sustainability reporting, it is widely acknowledged that a harmonisation of the field is a difficult process. The process is complicated by the complex nature of sustainability information and the diverse opinions, demands, and needs of different stakeholders already discussed in the preceding sections. Comparing the harmonisation of sustainability reporting to that of financial reporting, Tschopp & Nastanski (2014, p. 161) argue that “[b]ecause of the relative diversity and unevenness of the market for CSR information, in contrast to financial information, the individual reporting mechanisms remain stand-alone entities” and “because of the different stakeholders and varying drivers, the pressure to harmonize or converge CSR is not as strong as it is to harmonize financial accounting standards.” Tschopp & Nastanski (2014, p. 161) suggest that the harmonisation of sustainability reporting is roughly at the same stage as that of financial reporting was a century ago, yet note that the harmonisation of sustainability reporting “may prove to be a more complex problem.” Given that “[t]he convergence of financial reporting standards is still in process today,” Tschopp & Nastanski (2014, p. 149) thus imply a rocky road ahead for the harmonisation of sustainability reporting. However, there are different opinions as to what extent sustainability reporting needs to be harmonised, and a harmonisation of sustainability reporting does not necessarily mean that the field should come to be dominated by a single or few standards, as is the case for financial reporting. Tschopp & Nastanski (2014, pp. 160f.) considers three potential scenarios for the harmonisation of sustainability reporting, as summarised in Table 5.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Adoption of a single standard managed by single standard-setting body which all parties involved find acceptable.</td>
</tr>
<tr>
<td>2.</td>
<td>Continuous collaborative efforts between existing standard-setting bodies working together towards the convergence of their respective standards with the long-term of having a single standard.</td>
</tr>
<tr>
<td>3.</td>
<td>Status quo (i.e. plurality in sustainability reporting) but “corporations, investors, and other stakeholders” would be given “the responsibility of translating reports into comparable information” (Tschopp &amp; Nastanski, 2014, p. 161).</td>
</tr>
</tbody>
</table>

Addressing the first and second scenarios in Table 5, Tschopp & Nastanski (2014, p. 159) note that “[i]t may be difficult to convince reporting organizations to give up autonomy or possibly even their existence to develop and agreed upon standard.” These
scenarios are further exacerbated by the diverging views of different stakeholders already mentioned further above. In turn, the third scenario is likely to increase reporting fatigue (cf. Section 2.3.1) given that it would require producers of sustainability reporting to engage in additional reporting activities.

2.4 Institutionalisation of sustainability reporting

As the preceding sections show, sustainability reporting is characterised by considerable plurality. Although this plurality has garnered some theoretical interest and treatment in the literature, the underlying mechanisms determining how it arises and how it is navigated by practitioners and stakeholders are still not well-known, and recent studies have therefore called for more exploration of the topic. For instance, Farooq & de Villiers (2019, pp. 1240f.) observe that “[c]onsiderable academic attention has been directed at the ‘who’ and the ‘why’ of sustainability reporting and a range of micro- and macro-level drivers have been identified,” yet “[t]here have been few attempts to explain the ‘how’ of sustainability reporting.” Likewise, Mahmood & Uddin (2021, p. 1164) argue that theoretical discussions have mostly centred around legitimacy and stakeholder theories which “generally focus on strategic motives for reporting,” in other words what Farooq & de Villiers (2019) call the why of sustainability reporting. From the perspective of legitimacy theory, sustainability reporting is used to create and maintain legitimacy in the eyes of society. Legitimacy theory is thus based on the idea of a social contract between companies and society, and companies must adhere to this contract to ensure future operation. In turn, stakeholder theory focuses on the complex and dynamic relationships between companies and their stakeholders, suggesting that sustainability reporting is affected and motivated by different expectations of different stakeholders (Amran & Haniffa, 2011). To better understand the how of sustainability reporting, both Farooq & de Villiers (2019) and Mahmood & Uddin (2021) argue for an institutionalist approach.

At the heart of institutional theory lies the concept of institution, which can be characterised as a social structure determining “socially acceptable and expected ways of doing things” (Farooq & de Villiers, 2019, p. 1244). Of particular interest to institutional theory is how such institutions come about, in other words how social and cultural values become institutionalised, and how institutions influence the behaviour of social actors (Farooq & de Villiers, 2019). In the words of Amran & Haniffa (2011, p.
Institutional theory has traditionally been preoccupied with the study of isomorphism, an “inexorable push toward homogenization” (DiMaggio & Powell, 1983, p. 148). Three types of such isomorphism have typically been recognised in the literature: coercive isomorphism, referring to changes in organisational behaviour “as a result of both formal and informalpressure (in the form of forces, persuasions or invitations tojoin the collusion) exerted by those stakeholders upon whom the organization is dependent;” normative isomorphism, referring to organisational change resulting from “pressures arising from group norms to adopt particular institutional practices or tofulfil professional expectation;” and mimetic isomorphism, referring to organisational change caused by organisations emulating other organisations perceived “to be more legitimate or successful” (Amran & Haniffa, 2011, p. 143). However, as noted byThornton et al. (2012), such isomorphic approach is not adequate for explaining heterogeneity. Likewise, Mahmood & Uddin (2021, p. 1164) argue that “[i]nterestingly, institutional heterogeneity is rarely discussed or theorized as a source of variation in sustainability,” and call for an adoption of alternative institutional perspectives “in exploring how the heterogeneous societal and institutional context influences motivations for and variations in sustainability reporting.” Consequently, the present study adopts institutional logics which facilitate the exploration of heterogeneity – or plurality – of sustainability reporting.
2.4.1 Theory of institutional logics

The foundation of institutional logics was laid by Friedland & Alford (1991) but has subsequently been notably revised and further developed by Thornton et al. (2012, p. 2) who define the perspective as “a metatheoretical framework for analyzing the interrelationships among institutions, individuals, and organizations in social systems.” Thus, institutional logics refer to “frames of reference through which actors make sense of the world, construct their identities and interact with the world around them” (Silvola & Vinnari, 2020, p. 2). Institutional logics are thus ideal for investigating the research questions of the present study formulated in Section 1.1 which relate to how practitioners and stakeholders involved in sustainability reporting navigate and make sense of its plurality. Central to institutional logics is the idea of an interinstitutional system which encompasses different institutional orders with their own logics, in other words their own “unique organizing principles, practices, and symbols that influence individual and organizational behavior” (Thornton et al., 2012, p. 2).

2.4.2 Institutional orders and logics

Thornton et al. (2012) recognise seven different “ideal types” of institutional orders – family, community, religion, state, market, profession, and corporation – and link each order to sources of legitimacy, sources of authority, sources of identity, basis of norms, basis of attention, basis of strategy, informal control mechanisms, and economic system (see Appendix 5). Each institutional order is accordingly associated with certain principles, practices, and symbols which “differentially shape how reasoning takes place and how rationality is perceived and experienced” (Thornton et al., 2012, p. 2). Given that institutions operate at different levels of analysis, the institutional logics of each of the seven institutional orders can be manifested in different ways depending on the context studied (Silvola & Vinnari, 2020). As Mahmood & Uddin (2021, p. 1167) describe, “depending on organizational characteristics and experience and how they are situated, some logics are more accessible than others” and “[t]he accessible logics and how they are used by organizational actors shape organizational rationality and actions.” Multiple logics can, in turn, lead to variation in practice, and Mahmood & Uddin (2021, p. 1180) ultimately argue that the “wide variations in sustainability reporting practices can be explained by the varying influence of different institutional logics and organizational responses to these logics.”
Applying the theory of institutional orders and logics to corporate social responsibility, Arena et al. (2018) find that four of the seven ideal types of institutional orders proposed by Thornton et al. (2012) are particularly relevant to the evolution of sustainability strategies. The four “ideal types of CSR strategy” highlighted by Arena et al. (2018) are market logics associated with profit maximisation; state logics associated with respect for regulation and focus on the public good; community logics associated with impacts on local communities; and profession logics associated with shared value and the Triple-Bottom Line. Following Arena et al. (2018), in a recent investigation of the institutional logics specific to sustainability reporting, Mahmood & Uddin (2021) also emphasise the importance of the same four institutional orders, but merge the market logics with corporation logics, and otherwise provide the logics with new designations: business (market and corporation) logics, regulatory (state) logics, responsibility (community) logics, and transparency (profession) logics. Brief descriptions of these logics follow in Table 6.

<table>
<thead>
<tr>
<th>Logic</th>
<th>Description</th>
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<tbody>
<tr>
<td>Business</td>
<td>Based on the assumption that “there is a business case for sustainability” and that “companies will address sustainability issues only if this positively affects their financial performance” (Mahmood &amp; Uddin, 2021, p. 1173). Sustainability reporting underpinned by business logics does, in other words, “revolve around how firms can benefit financially from addressing societal concerns” (Mahmood &amp; Uddin, 2021, p. 1180).</td>
</tr>
<tr>
<td>Transparency</td>
<td>Based on the idea of sustainable value creation and linked to the legitimacy sustainability reporting as well as to the personal and professional reputations of those engaged in such reporting. As argued by Mahmood &amp; Uddin (2021, p. 1180), “[a]wards for excellent sustainability reporting or consideration for social responsibility investment funds are drivers of companies’ internal performance measurement and management, as well as strategy development.”</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Based on the rationale that sustainability reporting and the various practices associated with it “improve collective welfare, achieved through their positive impact on business, society and the environment” (Mahmood &amp; Uddin, 2021, p. 1177).</td>
</tr>
<tr>
<td>Regulatory</td>
<td>Based on the belief that regulation and incentivisation enables the achievement of sustainable development. As discussed by Mahmood &amp; Uddin (2021, p. 1179), “in the absence of direct benefits from sustainability reporting, and with more regulation, companies might quit the stock market.”</td>
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As argued by Zimmermann (2020), there is a debate as to whether sustainability itself is merely conceptualised within and realised through other logics (i.e. as another element row – not as a column – in Appendix 5; e.g. Lee & Lounsbury, 2015; Misangyi, 2016) or it represents an independent eighth logic (on par with the seven ideal types proposed by Thornton et al., 2012). Following Watson et al. (2012) who argue for the emergence of sustainability as a new logic, Corbett et al. (2015) go on to propose such a
logic focused on the state and well-being of the entire ecosystem not limited to any single entity (individual or organisational). The prospects of this kind of logic in sustainability reporting is discussed later in Section 5.5.

### 2.4.3 Institutional fields and maturity

The interinstitutional system central to the theory of institutional logics encompasses a vast array of various *institutional fields*. Furnari (2016, p. 554) defines an institutional field as “a social arena in which individuals and organizations partake of a common meaning system and interact more frequently with one another than with actors outside of the field.” As Thornton et al. (2012, p. 61) describe, in such field “participants take one another into account as they carry out interrelated categories of symbols and practices within and across individuals and organizations.” Thornton et al. (2012, p. 62) go on to argue that this definition “does not limit the field concept to only the institutional orders of the state, the professions, and market competition, or to a particular level of analysis.” Instead, “[i]t means that the boundaries of an institutional field are observable within and across the borders of institutional orders and their categorical elements” (Thornton et al., 2012, ibid.). Thornton et al. (2012) recognise four levels of analysis: an individual level, an organisational level, a field level, and a societal level. To avoid confusion between the concepts of *institutional field* and *field level* differentiated by Thornton et al. (2012), the latter concept will henceforth be called *industry level*. As Thornton et al. (2012, p. 13) note, “actors are nested in higher order levels,” meaning that individuals are nested in organisations nested in industries nested in society. This means that, e.g., macro-level institutional logics on the industry and societal levels automatically are “available and accessible to individuals and organizations” but not vice versa (Thornton et al., 2012, p. 16).

In line with the reasoning above, sustainability reporting will henceforth be considered an institutional field which can be explored from the perspectives of different institutional orders and logics and on different levels of analysis. Mahmood & Uddin (2021) suggest that sustainability – and by extension sustainability reporting – more specifically represents an *emerging* institutional field as opposed to a *mature* one. Drawing on research about field maturity by Purdy & Gray (2009) and Vican & Pernell-Gallagher (2013), Mahmood & Uddin (2021, p. 1168) argue that in an emerging field “the participants do not share a common identity and accordingly the field lacks a
common purpose for its existence,” creating a “sense of uncertainty among organizations” which “gives rise to ambiguity in the institutional norms and rules that define legitimate actions and acceptable behaviour.” Emerging fields are thus “characterized by loosely defined institutional arrangements, unclear institutional rules, ambiguous and highly permeable boundaries and sharp contestation between logics” (Mahmood & Uddin, 2021, p. 1164). By contrast, mature fields – like, e.g., financial reporting – are marked by a higher degree of interaction and greater information sharing across organisations, and also by “the domination of a few players working together to establish appropriate institutional norms within the field” (Mahmood & Uddin, 2021, p. 1167).
3 METHODOLOGY

This chapter outlines the methodology of the analysis presented in the next chapter. More specifically, the present chapter describes the methods of data sampling (Section 3.1), data collection (Section 3.2), data protection (Section 3.3), and data analysis (Section 3.4). In general terms, the approach of the study is qualitative, guided by empirical inquiry and based on the inductive and interpretive analysis of data collected through interviews (Eisenhardt, 1989; Bryman, 2012; Ketokivi & Choi, 2014).

3.1 Data sampling

In line with its qualitative nature, this study is based on purposeful sampling for selecting participants for interviewing. Unlike probability sampling associated with quantitative research, purposeful sampling does not strive for a random selection of research participants. On the contrary, the goal of purposeful sampling is “to sample cases/participants in a strategic way, so that those sampled are relevant to the research questions that are being posed” (Bryman, 2012, p. 418). Such information-rich cases are thus “those from which one can learn a great deal about issues of central importance to the purpose of the inquiry,” and consequently, “[w]hat you find from your inquiry will be determined by the cases you study” (Patton, 2014, pp. 401f.). More specifically, the participants interviewed for this study were selected according to maximum variation sampling which is one of many purposeful sampling strategies. The aim of this strategy is “to ensure as wide a variation as possible in terms of the dimension of interest” (Bryman, 2012, p. 419), and it is therefore ideal for capturing and exploring diversity in terms of perspectives, views, and opinions regarding the plurality of sustainability reporting among professionals working with such reporting in Finland. According to Patton (2014), the maximum variation sampling strategy ultimately yields two important kinds of findings, both of which are relevant to the inquiry of this study. Firstly, “high-quality, detailed descriptions of each case, which are useful for documenting uniqueness and diversity,” and secondly, “important shared patterns that cut across cases and derive their significance from having emerged out of heterogeneity” (Patton, 2014, p. 429).

In terms of sample size, Bryman (2012, p. 425) argues that “[o]ne of the problems that the qualitative researcher faces is that it can be difficult to establish at the outset how many people will be interviewed” because “[i]t is impossible to know, for example, how
many people should be interviewed before theoretical saturations has been achieved.” In this study the selection of interviewees was guided by Hess’ (2014) typology of practitioners and stakeholders in the field of sustainability reporting (see Table 1 on page 8) with the goal of interviewing at least one of each type of practitioner/stakeholder: corporation, standard setter, consultant and assurance service, intermediary, end user. Covering all these types, a total number of eleven professionals engaged in sustainability reporting were interviewed for the study, after which a satisfactory degree of theoretical saturation of data had been reached. The interviews were all conducted in August-September 2022 and lasted between 47 minutes and 82 minutes. Details about both the interviewees and the interviews are presented in Appendix 3. This appendix provides general information about the interviews, assigns interviewees anonymised identifiers, describes the kinds of organisations they belong to and their roles therein, as well as which practitioner/stakeholder types they represent. As evident in Appendix 3, an interviewee can represent more than one type of practitioner/stakeholder. Most notably, all the interviewees qualify as end users to some extent, as they all read sustainability reports on a more or less frequent basis. However, acting as an end user is more integral to the roles of some of the stakeholders than others, for which reason practitioners and stakeholders only sporadically acting as end users are marked in parentheses in the abovementioned appendix.

3.2 Data collection

The practitioners and stakeholders described in the previous section were interviewed one-on-one through the online communication platform Microsoft Teams. There were several motivations for conducting the interviews virtually rather than physically. First, in the wake of the COVID-19 pandemic, many have developed a preference for conducting meetings online because it is flexible and saves them time. Second, virtual interviewing served as a safeguard measure to ensure that the interviews could be conducted according to schedule despite any potential unexpected rise in COVID-19 infections that would have hampered the ability to conduct traditional physical interviews. Third, virtual interviewing facilitated the recording of both video and sound in an inexpensive manner without the need to acquire and handle specialised equipment. Fourth, virtual interviewing saved both time and costs with regard to logistics. Fifth, Microsoft Teams features a built-in function that allows for automatic
transcription of speech which significantly decreased the workload associated with the post-processing of the raw data collected during the interviews.

The interviews were semi-structured, following the same interview guide with a number of open-ended questions relevant to the research questions of the study. As described by Patton (2014, p. 644), an interview guide “provides topics or subject areas within which the interviewer is free to explore, probe, and ask questions that will elucidate and illuminate that particular subject.” At the same time, being open-ended, the questions of the interview guide “provide broad parameters within which interviewees can formulate answers in their own words concerning topics specified by the interviewer” (Roulston, 2010, p. 12). Consequently, the semi-structured interviews differed considerably in form and structure, depending on the responses of the interviewees, yet the interview guide ensured that all the same topics were covered in each interview. An interview guide thus “helps make interviewing a number of different people more systematic and comprehensive by delimiting in advance the issues to be explored” without giving in to the mechanical and rigid nature of standardised structured interviews with close-ended questions (Patton, 2014, p. 644).

The interview guide for the semi-structured interviews is given in Appendix 1. The questions in the interview guide are grouped into three sections or themes. First, questions relating to the interviewee’s background meant to determine the broader context of the interviewee’s relation to and perspectives on sustainability reporting in general. Second, questions relating to the interviewee’s perspectives specifically on the current landscape of sustainability reporting and the plurality thereof. Third, questions relating to the interviewee’s perspectives on the future of sustainability reporting and the harmonisation thereof. The transition between questions of different themes were accompanied by prefatory statements to focus the attention and awareness of the interviewees (Patton, 2014). While all the interviews were initiated with the first background question, the order in which the other questions in the interview guide were asked was entirely dependent upon the replies of the interviewees. In their replies, interviewees would often touch upon multiple questions in turn or simultaneously, for which reason all questions were not necessarily asked explicitly, but were addressed implicitly. During the interviews, the interviewer took notes by pen and paper to record prominent ideas and perspectives raised by the interviewees, helping the formulation of probes and follow-up questions for further inquiry (Patton, 2014).
Before the interviews were conducted, the interviewees were informed about the overarching topic for discussion (the plurality of sustainability reporting) and were given an abridged version of the interview guide in Appendix 1. It was further specified that the plurality of sustainability reporting and SRTs would serve as foci in the interviews. However, great care was taken – both before and during the interviews – not to describe the plurality in any more detail in order not to bias the perspectives of the interviewees and instead allow them to set the tone for the interviews themselves. Thus, the interviewer did, for instance, never mention any particular SRT, unless an interviewee had already discussed it earlier in the interview.

### 3.3 Data protection

To ensure that the data obtained during the interviews were properly processed and protected in accordance with the Regulation (EU) 2016/679 (General Data Protection Regulation), the data processing activities were submitted for internal review at Hanken School of Business (Record of Data Processing Activities for Students). Furthermore, in accordance with the Personal Act (523/1999), all interviewees consented to the processing of their data as outlined in the consent form in Appendix 2.

### 3.4 Data analysis

Before analysing the data collected during the interviews, it was reviewed as a measure of quality control (Patton, 2014). Although Microsoft Teams was able to transcribe the virtual interviews automatically, the transcriptions it produced were permeated by errors. First, the transcription feature of Teams had problems dealing with mistakes in pronunciation, grammar and sentence structure made by the interviewees, none of which have English as native language. Second, due to some underlying technical problem, the transcription feature of Teams occasionally stopped transcribing for ten to twenty seconds, omitting whole sentences and paragraphs of speech. Both problems were solved by listening to the recorded interviews while simultaneously correcting the automated transcriptions by hand. Once the data had been revised, it was subject to a thematic analysis in order to identify recurring motifs, commonalities, and disparities in the views and perspectives of the interviewees on the plurality of sustainability reporting (Roulston, 2010; Bryman, 2012; Patton, 2014).
During the initial stage of the thematic analysis, each transcription underwent a process of coding. As part of this process, themes in the data were identified and labelled, and relevant accompanying pieces of transcription were copied into an Excel document containing three columns: an interviewee identifier (see Appendix 3), the code (or label), and the relevant piece of transcription. The coding thus represented a form of data reduction, as certain pieces of transcription (e.g. the interviewer’s speech, long strings of hesitating interjections, repetitions, etc.) were deemed irrelevant and excluded from further analysis (Roulston, 2010). However, by only copying the pieces of transcription into the Excel document meant that the original full context could be retrieved later in the analysis when needed, thereby avoiding “losing the context of what is said” (Bryman, 2012, p. 578). This initial coding was done after each interview while the discussions with the interviewees were still fresh in memory. Continuously working with the data throughout the period enabled on-going inductive exploration of the perspectives and views raised by the interviewees, and the thematic analysis was accommodated accordingly (Roulston, 2010; Patton, 2014).

Following the initial coding of all the transcriptions, the data in the Excel document underwent additional rounds of coding and thematisation, during which codes (and labels) were further modified, merged, or split. The continuous revision of the codes was simultaneously accompanied by what Roulston (2010, p. 151) characterises as a “reorganization of the data into thematic representations of findings through a series of assertions and interpretations.” As argued by Patton (2014), such reorganisation is dependent on both internal and external homogeneity. On the one hand, the codes subsumed by a theme must be sufficiently similar to be held together in a meaningful way. On the other hand, themes must be sufficiently different to be separated in a meaningful way. Patton (2014) call these criteria the challenges of convergence and divergence, respectively. In practice, the themes that emerged from the data were placed into first-, second-, and third-order columns next to the codes in the Excel document. The third-order columns represented core themes reflected in the data and were eventually developed into institutional logics in the spirit of the previous research dealing with such logics, notably Thornton et al. (2012), Corbett et al. (2015), Arena et al. (2018), Zimmermann (2020), and Mahmood & Uddin (2021). Thus, the logics identified by the present study emerged inductively as core themes from the data but were subsequently formulated with the terminology of – and within the tradition of – institutionalist theory and institutional logics (for more details, see the introductory discussion of the analysis in Chapter 5).
4 RESULTS

This chapter presents the results of the empirical data collection described in the previous chapter. The chapter sheds light on the perspectives of different practitioners and stakeholders on engagement in sustainability reporting, including recent trends and motivations thereof (Section 4.1). Subsequently, the chapter discusses the views of the practitioners and stakeholders on the plurality of sustainability reporting, on the reasons for it, on the challenges and benefits associated with it, and on the navigation of it (Section 4.2). Finally, the chapter outlines the perspectives of the practitioners and stakeholders on the future of sustainability reporting with a focus on the harmonisation and regulation thereof (Section 4.3).

4.1 Engagement in sustainability reporting

The following sections illustrate the interviewees’ views and perspectives on engagement in sustainability reporting, including recent trends therein (Section 4.1.1) and motivations therefor (Section 4.1.2).

4.1.1 Recent trends in engagement

In line with the discussion of engagement in sustainability reporting in Section 2.1.1, all interviewees noted that there has been a noticeable proliferation of such reporting in recent decades. As interviewee INV-1 observed, “there’s a sustainability Zeitgeist that’s happening at the moment,” describing it in the following manner:

“[...] there’s an overall, like, feeling or an overall, let’s say(.) space where people can actually talk about these issues in relation to how we are impacting the environment, how we’re impacting the communities, the sort of corporate governance structure that potentially need to be updated in order to move this agenda forward [...] there’s a search for, for consensus and some sort of overall universal definitions(.) it’s still very messy at the moment though, I would want to say [...]” (INV-1)

As a result of this Zeitgeist, some interviewees argued that sustainability reporting in many organisations has shifted from being a responsibility of communications departments to become the focus of its own designated departments, or at least “moving more towards the strategic lead of the companies” (THINK). Simultaneously with this transition, it was repeatedly suggested that sustainability reporting is slowly becoming a field of practice in its own right:
“[...] during these past ten years, I think sustainability reporting has been more (...) closely connected to sustainability communications, and now it’s becoming more sort of an accounting field of itself [...]” (CORP-1)

Likewise, as a natural consequence of the growing importance of sustainability reporting in business, interviewees observed that assurance within the field is becoming increasingly widespread:

“[...] another trend, I think, which is quite recent, which is going to be quite significant in the future, is that (...) when (...) the Corporate Sustainability Reporting Directive here in Europe steps into force, you have to have your reports assured, which means that a lot of the financial auditors are going to have to learn ESG (...) standards as well [...]” (CONS-2)

As indicated by the quotes above, many interviewees argued that the trends presented here have been motivated to a great extent by increasing regulation relating to sustainability reporting, incentivising and/or forcing organisations to engage in such reporting and sustainable behaviour more broadly:

“[...] we’ve seen this move more from kind of voluntary measures towards more mandatory measures, more, more kind of binding regulation on companies, on sustainability matters, not only the reporting aspect [...]” (NP-NGO)

In these respects, the interviewees mainly highlighted the CSRD, CSDDD and the EU taxonomy for sustainable activities that are to come into force in late 2022 (Section 2.2.1). A few interviewees also explicitly mentioned the ESRS associated with the CSRD, as well as the NFRD which is currently in effect in the EU (Appendix 4). Given that the NFRD only applies to large companies, the interviewees were generally of the opinion that regulation relating to sustainability reporting plays a relatively little role in the current state of sustainability reporting in Finland at large but that its role is likely to increase in the wake of the abovementioned CSRD.

While the trends discussed in this section relate to engagement in sustainability reporting, the interviewees also discussed a variety of recent trends regarding how sustainability reporting is conducted and what it entails. Such trends will be addressed implicitly in subsequent sections, and will be discussed more explicitly in relation to the future of sustainability reporting in Section 4.3 and sub-sections.

### 4.1.2 Motivations for engagement

The interviewees all highlighted the increasing regulation of sustainability reporting discussed in the previous section as a major motivation for engagement in the field. The
regulation of sustainability reporting will be discussed further later in Section 4.3.2. Another motivation universally mentioned by the interviewees – and widely attested in the literature (see, e.g., Section 2.1) – was stakeholder, creditor and investor pressure:

“ […] one of the important reasons is all the stakeholders that demand more information (.) the different stakeholders are no longer happy with only financial information, they also want to know about the companies, how they treat people and nature and everything [...]” (BANK)

“ […] if companies, if smaller companies, any company, if they don’t, if they don’t, are not transparent regarding ESG reporting (.) if they don’t sort of actively try to be, uh, present in different [sustainability rating] databases, then they will not attract investors and their share price will not perform [...]” (INV-2)

The interviewees argued that meeting stakeholder expectations tends to go hand in hand with efforts to increase credibility, transparency, and responsibility, which themselves serve as important motivations for engagement in sustainability reporting:

“ […] our customers ask of it, ask for it, and so I mean (.) I don’t see it as a realistic option that we would not do sustainability reporting, I mean, its, the form and the framework and, and, like, the actual report itself, they can be quite many different things, but, but not to have sustainability report would not be good [...] it’s sort of, like, this, it’s a credibility issue [...]” (CORP-1)

“ […] from stakeholders’ points of view, what topics are material for them? usually it’s not only what values the company has, and what is the financial performance, and so forth, there’s also a lot of different, other areas where you can have a material impact, whether you like it or not, for example, when it comes to greenhouse gas emissions, so even though, maybe, you know, it’s, you don’t think it’s material, and it doesn’t show in the financial report, it is actually a really big environmental impact (.) uh, on society, so I think sustainability standards and frameworks are needed, and (.) reporting on those in a consistent manner, so that you bring transparency, increased responsibility, and shed light on the true impact of a company [...]” (CONS-2)

Some interviewees described that external expectations also can be more general in nature, emphasising how society and many industries quite simply have come to expect that organisations engage in sustainability reporting – a “must.” In addition to external expectations, many interviewees argued that engagement in sustainability reporting also can be motivated and steered by internal expectations with regard to strategy and the aim of avoiding competitive disadvantage:

“ […] I think it’s a must already at these days that, especially for the bigger ones [i.e. companies] (.) that they have to be able, or they should be able, to tell about where their, like, stuff is coming from, or who they are engaging with, and how to, how they, they are actually (.) uh, or what type of process is and et cetera, et cetera, so I think it’s (.) so, it’s a competition thing [...]” (ASSOC)

“ […] it depends really much on the companies’ strategy, why, and the motivation why they’re motivated, and whether they sort of, uh, are looking at risk avoidance, or sort of cost effectiveness, like in circular economy sometimes, or they want to differentiate within the markets, or whether they have a broader mission of, of, of making societal impact on sustainability topics [...]” (THINK)
In a similar vein, some interviewees argued that some organisations might consider the field of sustainability reporting to be yet another competitive arena in business where it is possible to make a name for oneself:

“[…] then there's the group of companies that want to be the first ones, that ‘we want to be the first ones to do really good sustainability reporting and we want to be the forerunners’ and (.) and I think those companies influence the field a lot […]” (BANK)

The more precise internal motivations obviously differ for different practitioners and stakeholders engaged in sustainability reporting, but a general sentiment among the interviewees regardless of their roles was that sustainability is related in one way or another to risk management:

“[…] sustainability reporting is about measuring, measuring, and measuring progress, setting targets, it's kind of, like, first, you, you, you identify the challenges, you identify the risks [...] so we have risks here and there in the, in the whole kind of value chain, you have to look at the whole, whole value chain, and then you set targets [...]” (CERT)

By contrast to the various motivations discussed above, none of the interviewees believed that the noble goal of sustainability itself presents a realistic singular motivation for engagement in sustainability reporting, business being business, yet most interviewees strongly believed that the goal of sustainability itself is undoubtedly interwoven with other motivations:

“[…] of course, most of the companies are doing this because they have to, and they want to attract money, not necessarily because they wanna be (.) wanna be sort of morally, you know, clean, but it’s, it’s, I think most people rather would do it than not do it […]” (INV-2)

“[…] I don't really believe in just only the noble goal, but I believe that there are companies that want to do good business without doing harm, and I personally believe that you can be a very sustainable business and be successful business, and also sustainability can be a business (.) I don't see it as an, like, automatic extra burden, it can also do good for the business […]” (BANK)

As evident later in the following sections, many of the motivations discussed here also represent underlying reasons for plurality in sustainability reporting.

4.2 Plurality of sustainability reporting

The following sections illustrate the interviewees’ views and perspectives on the plurality of sustainability reporting, including reasons therefor (Section 4.2.1), challenges and benefits thereof (Sections 4.2.2 and 4.2.3), and decision-making related thereto (Section 4.2.4). The various views and perspectives are subsequently summarised and discussed collectively (Section 4.2.5).
4.2.1 Reasons for the plurality

While all interviewees confidently listed various potential motivations for engagement in sustainability reporting, they expressed uncertainty with regard to the reasons underlying the plurality of the field. However, all interviewees did proceed to observe that the growing popularity of sustainability reporting in recent decades has been accompanied by a diversification of the field, and some interviewees explicitly suggested that the popularity itself might be a reason for the field’s plurality:

"[...] just seeing the, how the climate is changing, and (.) what is happening to our surrounding and so forth, then I think the urge comes from there, and then everyone started developing their (.) frameworks at the same time (.) we have ended up with the plurality of different frameworks and (.) and guidance papers, and whatnot [...]" (Assoc)

"[...] as these [sustainability] topics have become more and more popular, then you have also the opportunistic approach, and if there's more, let's say, development and research and other funding available, then of course, suddenly you most likely end up having various schemes being further developed or started from scratch [...]" (CORP-2)

In these respects, the plurality of sustainability reporting can be linked to diversity of users and uses, diversity of topics, and the role of externalities discussed in Section 2.2.4 (Underlying factors of plurality). As the popularity of sustainability reporting has grown and continues to grow, so does the number of users – or practitioners and stakeholders – interested in different topics of sustainability and with different expectations and needs for the reporting thereof. This diversification of stakeholder expectations as a reason for plurality in sustainability reporting was explicitly highlighted by all interviewees:

"[...] there are different stakeholders in different, like, around the globe [...] I think the different frameworks want (.) to help, like, meet the needs of the different stakeholders [...]" (CONS-1)

Differences in stakeholder expectations are also reflected in different motivations for engaging in sustainability reporting – in other words, in the diversity of objective functions (Section 2.2.4). Furthermore, practitioners and stakeholders might differ as to how they understand concepts of sustainability in the first place, which might spur the emergence of different SRTs catering to different conceptual understandings and needs. Sustainability reporting does, in other words, present business opportunities:

"[...] it [i.e. sustainability reporting] is a business (.) and this whole sustainability reporting it's, it's, it's, it's a very big business for many consulting companies, and raters, and so on [...] they gain from the fact that, that, that, that (.) the-there's room for different approaches, that means there's room for, for, for more consultants, more projects, more money [...]" (THINK)

Finally, most interviewees noted that the ability of sustainability reporting to adapt to various differences such as those discussed above can be explained by its voluntary
nature. For instance, interviewee ASSOC mentioned in passing the “lack of regulation” as a reason for plurality in sustainability reporting, and interviewee BANK described the following scenario for the rise of plurality in sustainability reporting:

“[..] it's because this hasn't been mandatory [...] companies just, uh, started to see the importance of sustainability reporting and, like, each company, like, started, however they started, and then, like, at the same time multiple standards and frameworks and whatever came, and (.) uh, I think that it might have been, like, really confusing for companies, like, what should we use, and (.) uh, then like, everyone's just trying their best, I guess [...]” (BANK)

### 4.2.2 Challenges of the plurality

As suggested in the preceding section, the plurality of sustainability reporting reflects a diversity of internal and external interests. Conversely, different SRTs impose diverse requirements on organisations and stakeholders. This plurality of requirements in sustainability reporting was highlighted as a major challenge by all interviewees, because the diversification of interests in addition to regulation force organisations to deal with an increasing number of different SRTs. Most interviewees focused on the challenge in relation to sustainability reporting, while a few interviewees also discussed the challenge in relation to sustainability ratings. By contrast, interviewees took a neutral stance on the plurality of sustainability reporting assurance, addressing neither the aforementioned challenge nor any other challenge of such plurality. As described later in Section 4.2.4 (Navigation of the plurality), the interviewees’ views on the plurality of sustainability reporting assurance were less value-laden and more pragmatic. Regarding sustainability reporting provisions and ratings, there was a general sentiment among interviewees that sustainability reporting is in a constant flux of change, making it difficult to meet stakeholder expectations while at the same time keeping up with the evolving requirements of both existing and new SRTs:

“[..] things are happening so fast right now, so that it actually (.) takes a lot of time to follow up on everything [...] everything is changing (.) it’s difficult to, like, follow up and keep to the speed [...]” (ASSOC)

The interviewees unanimously agreed that such difficulties arise from the strain posed on organisational resources by the plurality (i.e. reporting fatigue), and several interviewees also noted that the strain is greater the smaller an organisation is:

“[..] it's an administrative burden [...] it requires a deep knowledge of, of, of the field, the different standards, what to do? [...] and it really requires a lot of time and resources (.) and, and, and the one reason why it does that, it's not very often in-integrated in the, or in all of the activities of the organisations, it's sometimes too separate from, from all the activities which makes it into, into a burden [...]” (THINK)
"[…] if you have a business with, with twenty employees (.) what do you, can you demand from that business? it is totally different from, from, from, from a global corporation […]" (THINK)

The interviewees argued that these issues were not just matters of time and cost, but also a matter of knowledge. During the interviews, it was repeatedly noted that sustainability reporting and the plurality thereof requires considerable know-how to navigate:

"[…] how do you get the people that know the standards and, and you know, spend the money to educate them, and, and, and you know, ensure that you have enough resources? like, this is why ESG analysts are becoming really in demand because (.) there are controllers in every business unit, but then those people do not know sustainability standards, but all of a sudden you need to get a lot of sustainability data from the business units […]" (CONS-2)

"[…] it's your responsibility as well to make sense of this [sustainability] information, right? so I think that's also another big, let's say, big component, and maybe a big burden, it's not a burden, but I see it's, uh, it's, uh, it's a very heavy, intensive exercise for anybody using this information to try and sieve out and, and make sense of it […]" (INV-1)

Moreover, it was explicitly observed that knowledge and competencies needed for coping with the plurality of sustainability reporting might be essential for organisations to maintain credibility:

"[…] when there's so many different frameworks and (.) uh, ways of reporting, and if you, if you are not kind of (.) yeah, I can see that to a certain extent that it can also (.) perhaps raise some issues of (.) uh, credibility; if, if you are not very familiar with the, with the kind of reporting framework, and all the kind of (.) data collection, that is (.) is, is needed […]" (NP-NGO)

The data collection mentioned by interviewee NP-NGO is another interrelated and multifaceted challenge posed by the plurality of sustainability reporting and its diverse requirements. As noted by interviewee CONS-1, “you have, like, many different kinds of indicators and sometimes the, the needs, what you need to report, the, the forms might be a bit, like, different.” Interviewee CONS-2 provided a very demonstrative example of such difficulties:

"[…] we work with a private equity client that has probably 40–45 limited partners, so they have these institutional investors that are investing into them, and these (.) institutional investors, they all have different data needs about this private equity investor and that private equity investor, portfolio companies, so imagine, like, you have, like, this massive pressure coming from above, and some want to know what is the carbon intensity, and some want to know the actual emissions, and someone to know Scope 3, and then you have to, like, get all this data from your portfolio companies who sometimes are start-ups and have no idea how to get this data (.) don’t have any time to spend on it, and then you have, you know, you have to turn to like data providers […] and all these, you know, softwares that track and automate, and AI-based algorithms for what, it is like, it is such a burden […]" (CONS-2)

A few interviewees highlighted the supply chain as being particularly troublesome in this respect. As sustainability reporting is becoming increasingly widespread and regulated, suppliers are likely to face increasing pressure:
“[…] it’s a challenge for the, for the suppliers that, if they need to answer (...) uh, different, uh, reporting requirements, and usually the, the challenge in, in global supply chains is often that the kind of (...) the demand for, uh, respecting human rights comes, comes from the North, and then the cost for implementing it just, you know, tricks down in the, in the, in the producing country, which is the, the, the country where there are the, the problems, so it’s like expecting (...) uh, companies, the whole, all, all companies in the whole supply chain to, to answer different kind of requests from different frameworks, it’s, that’s definitely a challenge […]” (CERT)

Data collection is further complicated by the terminological and conceptual differences in the field of sustainability reporting discussed in the previous section:

“[…] a challenge in this field is, is, is, is, is not just the jungle of standards, but the, but, but there’s a confusion of concepts […] if you look at different companies, how they report on things, they, they talk about responsibility, ESG, Agenda 2030 sustainability, they use different concepts and, and they’re not, you know, it’s not consistent […] it’s quite a mixture and it’s very difficult to sort of grasp what, what people are talking about […]” (THINK)

Finally, all interviewees mentioned that the plurality in sustainability reporting ultimately makes it difficult to compare sustainability performance, given the differences in scopes, requirements, definitions, etc., of different SRTs:

“[…] certainly the one of the current challenges which (...) undoubtedly is at least part, in part due to the plurality in the reporting frameworks, is, is the lack of comparability of the data between different, different companies […]” (NP-NGO)

“[…] when we make investment decisions, the plurality makes the comparison very difficult, so comparability, that when we want to compare the companies where we invest, it’s, it’s very difficult because anyone can publish whatever and the information varies […]” (BANK)

“[…] it’s a challenge when you cannot compare the information, and a lot of time when you’re thinking about things like biodiversity, or diversity and inclusion of people, or human rights issues, there is, like, this lack of indicators that would tell (...) uh, like numerical indicators, it’s not easy to come up with, like, universal indicators for that […]” (ASSOC)

4.2.3 Benefits of the plurality

When prompted with the question of what benefits the plurality of sustainability reporting poses, interviewees were generally hesitant in their replies, many explicitly noting that the plurality does not benefit their profession at all or that they are better aware of the challenges of such reporting than of the benefits thereof:

“[…] nothing, no, I mean, everything is gonna be a lot better when you have (...) uh, when everybody’s reporting the same way […] well, I mean for, for, for an investor like us […]” (INV-2)

“[…] I think there are more negatives than positives, but it is actually also (...) hard to not have this plurality just because it is such a broad field, it’s, like, you have financial reporting and then you have everything else, right? […]” (CONS-2)

“[…] I’ve been more familiar-introduced to the downsides of having [plurality in sustainability reporting] (...) so, so, really, really, people struggling to, to get, take the time to, to
While the quotes above do not speak of benefits explicitly, they suggest that there is something inevitable about having plurality in sustainability reporting. In a similar vein, it was argued that since organisations engage in such reporting despite its plurality, there must be some benefits to it:

“[...] I think, of course, there are benefits, too, why, like, why would we otherwise have so many companies doing that? [...]” (CONS-1)

The few benefits explicitly mentioned by the interviewees all relate to the plurality of sustainability reporting provisions, and none of the interviewees addressed any benefits of the plurality of sustainability ratings and assurance. The benefit most commonly mentioned by the interviewees was that the plurality can cater to diverse needs, each provision having its own scope, requirements, and perspectives. In the words of interviewee CONS-2, “the benefit is that you can almost always find some way to report.” Interestingly, as already witnessed in the previous section, all interviewees considered the very same plurality a challenge, testifying to its double-edged nature: the plurality of sustainability reporting appears to be a challenge when stakeholder pressure and regulation force organisations to deal with different requirements, but can also be considered a benefit when it helps organisations to handle different issues of sustainability and the reporting thereof. As interviewee BANK commented, “so, it’s the same thing, it’s a good thing as well as a bad.” This benefit is here described in general terms by interviewee ASSOC, while interviewee CONS-2 provides a practical example of how the availability of different provisions can benefit reporting:

“[...] companies are not, uh, like monolith, so there are different companies, then I think there is also, like, a brighter side, that there are different frameworks also that can be applied to different companies and not one-size-fits-all (.) so maybe that’s then, then a benefit of having, having different frameworks, so you can actually focus on what’s (.) what’s the most important or what’s material thing to this particular company or sector [...]” (ASSOC)

“[...] you can find the way (.) to calculate carbon intensity, for example, it’s very clearly stated in the GHG Protocol and, and so forth, and, you know, I guess the plurality, it’s a bit of a paradox, but in a way it does bring clarity, like, you can say, ‘OK, we, we adopted this standard and therefore we calculated it this way and therefore we have these types of results’ [...]” (CONS-2)

In a similar vein, the interviewees argued that the plurality of sustainability reporting is in fact essential to move the field forwards, because it can take diverse perspectives and views on sustainability into account:

“[...] think about (.) how NGOs work [...] they, they have a tendency for coming up with new demands [for sustainability reporting] (.) which is, which is, which is absolutely necessary many times [...] this pluralism and bringing ideas in, it just, it all the time, it challenges (.) all these,
these, these old, older, older, older concepts and approaches [...] you need the pluralisation for, for developing that, the whole idea [...]” (THINK)

Several interviewees observed that the availability of different sustainability reporting provisions catering to different needs enable organisations to more easily take both external and internal stakeholder expectations into consideration. Moreover, it was noted by a few interviewees that the said availability of diverse provisions also supports organisations that are new to sustainability reporting by outlining and conceptualising issues of sustainability in a systematic manner. The three benefits were, for instance, all discussed explicitly by interviewee CORP-1:

“[...] the benefits (.) could be that there's still a lot, uh, sort of (.) many choices that we make or made on voluntary basis and, and we can utilise sort of what we hear from our customers or, or close stakeholders [...]” (CORP-1)

“[...] I'm also thinking about from the point of view of our employees (.) the more we can choose, or navigate inside, a certain framework, the more we can also focus on issues that we know that sort of our meaningful and important for our own employees [...]” (CORP-1)

“[...] the benefit could be that they [i.e. companies] could choose the one [sustainability reporting provision] that best helps them at that certain point when they decide to start entering sustainability reporting, but I think sustainability reporting guidelines in general are very valuable for companies, also small companies, when they begin work in sustainability (.) it sort of helps you to conceptualise the, what is sustainability about [...]” (CORP-1)

During the interviews, it was also suggested that the adoption of multiple different sustainability reporting provisions might be able to increase the certainty, and ultimately the credibility, of sustainability reporting:

“[...] if something is consistently, like, in a similar way in different (.) like, reporting requirements or frameworks (.) then it might have a, like, uh (.) more weight [...]” (ASSOC)

“[...] I think for, for sure one of them [i.e. benefits] is, is to just increase the, increase (.) certainty in, the in the muddy waters of sustainability and how to define it, at least it gives certain assurances that this company does (.) it’s an indication that at least this company cares to some extent about these matters, and they’re gonna monitor it, and this is the way they’re gonna do things moving forward [...]” (INV-1)

Furthermore, as observed by various interviewees, the plurality of sustainability reporting can also be beneficial in the sense that it encourages competition among the organisations developing SRTs:

“[...] if you have competing systems and practices, they usually spur each other [...]” (CORP-2)

“[...] uh, having competition (.) is not necessarily a bad thing, you know, you have companies (.) that are providing [SRT] services and they have to compete (.) against each other, maybe it’s, uh, pushing them to, to be more (.) uh, efficient [...]” (CERT)

Finally, taking a somewhat cynical stance on the plurality of sustainability reporting, interviewee CERT commented that one could consider one of its benefits to be that it
serves to uphold an industry in which expertise regarding sustainability reporting is direly needed:

“[…] if I need to name a benefit, I'd say it's, uh, it has created an, an industry, and a very, very, very (.) uh, quickly growing and, uh, and, and, and, quick-quickly growing industry, so if, if one wants to think that 'OK, it's creating employment,' then that’s a benefit, but not, like, from a, from a, from a, like, sustainability perspective […]” (CEXIT)

4.2.4 Navigation of the plurality

On the one hand, as noted repeatedly in the preceding sections, mandatory reporting provisions in the form of regulation are increasingly stipulating how organisations are to engage in sustainability reporting (e.g. CSRD, ESRS, CSDD). On the other hand, however, navigating the landscape of voluntary SRTs entails active decision-making, and all interviewees highlighted the difficulty of navigating the plurality in sustainability reporting with all its many different challenges and benefits:

“[…] there are so many frameworks, like, how do you choose which one to apply? and do we need to use this one as well, or can we just stick to this one framework? how many of these do we need to consider? and if our competitor is using the other framework, should we change to that one, or should we report both of them? […] the sustainability ratings and all the questionnaires, like, do we need to engage with everyone, or can we just pick some of them? and some of the questionnaires, they’re so long (.) they are a million pages and a million questions […]” (BANK)

As some interviewees commented, one strategy when navigating the plurality of voluntary SRTs is simply to go with the “easiest” SRTs, in other words those requiring least resources to comply with:

“[…] I think, uh, many companies might also go with one, what's the easiest one, so that if they want to, like, avoid, like, the extra burden, so they might use what's easy […]” (BANK)

In a similar vein, several interviewees mentioned that another strategy is simply to do what others do, going with the flow, adopting and adhering to SRTs that are common in the market or industry, without necessarily questioning the SRTs themselves, or evaluating their fitness for the organisation:

“[…] the decision of choosing GRI was made already prior, before I went to the company, or before I came to the company (.) so, I've just, like, followed, followed GRI, and, and I think among Finnish companies, it is my understanding that it is one of the most used sustainability reporting frameworks […] I don't think we have really ever questioned that, whether or not we should report against GRI, or, or if there should be some competing, other framework that we really should also do […]” (CORP-1)

The Global Reporting Initiative (GRI) was hailed by ten out of eleven interviewees as the most prevalent reporting provision in the Finnish field of sustainability reporting,
with the last interviewee not explicitly discussing prevalence of reporting provisions in the first place. Other voluntary reporting provisions prominently discussed by the interviewees included the Carbon Disclosure Protocol (CDP), the Task Force on Climate-Related Financial Disclosures (TCFD), and the UN Sustainable Development Goals (UN SDGs). Various additional voluntary reporting provisions were discussed by the interviewees to a lesser extent, including the Greenhouse Gas Protocol (GHGP), Science-Based Targets Initiative (SBTi), Task Force on Nature-Related Financial Disclosures (TNFD), UN Global Compact (UN GC), UN Guiding Principles on Business and Human Rights (UN GP), International Labour Organisation (ILO) standards, and Integrated Reporting (IR). In terms of sustainability ratings, the interviewees mentioned MSCI ESG Indexes, the Dow Jones Sustainability Index (DJSI), Sustainalytics ESG Risk Ratings, S&P 500 ESG Indexes, EcoVadis Sustainability Ratings, Fitch ESG Ratings, and ISS ESG Ratings. See Appendix 4 for a detailed overview of how frequently the various sustainability reporting provisions and ratings were discussed by the interviewees and by whom.

As noted by interviewee CERT, by using the same SRTs as others, “it’s easy, you can actually compare yourself to, to your competitors.” Once one or more SRTs have been adopted by an organisation, it might become difficult to make new choices with time:

“[… ] when you have been doing GRI reporting for several years, then it’s of course a big decision to change completely, so that’s why I think many are staying with it […]” (ASSOC)

“[…] the downside is when you, uh, you have to choose one [sustainability rating], at least we had to choose one because they’re very expensive, and when you choose one, then that’s the one you use, and you’re sort of, uh, you can’t then, then you have that data and that’s it […]” (INV-2)

Regarding assurance standards, those interviewees familiar with the concept all stated that ISAE3000 is almost exclusively used in Finland, while AA1000AS is used on (very) rare occasions at client request. When it comes to the choice of assurance provider, organisations typically have a tender process in place for the purpose, yet the interviewees familiar with assurance all said that in practice organisations tend to use the same provider for sustainability reporting assurance as for financial auditing, typically one of the Big Fours:

“[…] we have, we have had an annual tender process for that and kind of just checking that if, if there are others that ( ) would, would provide us a better approach than the one who is our financial auditor […] many consultancies have just said that ‘we, we don’t participate in, in your tender process because you, we know that you’re going to choose the one who is your financial auditor,’ so, so that, that’s kind of, uh ( ) seems to be a link between that […]” (CORP-2)
The general sentiment among the interviewees was that the choice of SRTs is ultimately a matter of fulfilling one’s own needs in accordance with one’s resources while at the same time fulfilling the requirements of the chosen SRTs and meeting stakeholder expectations. As interviewee THINK remarked, it’s about making the “strategically right pick.” Interviewees INV-1 and CERT described the balancing act thus:

“[...] companies, again depending on, on their operations, will choose certain things over other reporting standards, right? like, they're going to, because they also have their own strategy, they also have their own stakeholders that they have to abide to, and everybody and every company is gonna be very different, so you have to, so where is that balance? where is that right balance? because one company is operating in completely different physical circumstance, social circumstance, than company (.) two in another side of the world, so this, if anything, if anything, of course, yeah, this plurality makes things very muddy, but it again it I think should be, that's the expectation of it, that's, that's the world we are living in, like, that's how life is, it's, it's, it's extremely complicated [...]” (INV-1)

“[...] a company needs to kind of determine what are their salient issues and, and, and choose tools to, to meet those salient is-issues, but then you look at the, the kind of whole, whole (.) whole sustainability discussion and you have the, you have the (.) more, more of these topics than that, what I'm talking about, I'm talking about environment, the human rights, and then you suddenly, you are, like, having more (.) more expec-expectations from the public from the society [...] so, it's, like, OK, we have limited resources in the company, but we want to participate in all these, all these discussions [...]” (CERT)

According to the interviewees, the balancing act thus involves an evaluation of saliency, stakeholder expectations, operational context, and resource availability, issues also already discussed in the preceding sections. However, as one interviewee, CONS-1, argued, occasionally organisations go overboard with regard to the balancing act, turning to quantity rather than quality, adopting more SRTs than what actually might be needed:

“[...] what is the, the reason for following one or a few of those? [...] those companies that are following ten different frameworks, I would like to ask the same thing from them, that why on earth have you chosen all of these, like? [...]” (CONS-1)

### 4.2.5 Factors underlying the plurality

The various factors underlying the plurality of sustainability reporting presented and discussed in the previous sections are summarised in Table 7. The factors in question are grouped into external and internal ones on the Y-axis, whereas the ticks on the X-axis indicate to which aspects of the plurality they are relevant: as a reason for the plurality (Section 4.2.1), as a challenge or benefit associated with the plurality (Sections 4.2.2 and 4.2.3), or for navigating the plurality (Section 4.2.4). In Table 7, triangulation refers to how the interviewees suggested that the adoption of multiple SRTs can lend
weight to the credibility of findings. In turn, resource availability subsumes both reporting fatigue (Section 4.2.2) and the balancing of resources (Section 4.2.3).

Table 7 Interviewee perspectives on the plurality of sustainability reporting

<table>
<thead>
<tr>
<th>Factors</th>
<th>Reasons</th>
<th>Challenges</th>
<th>Benefits</th>
<th>Navigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>External, outside organisation</td>
<td>Popularity, proliferation</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of regulation, voluntary</td>
<td>✓</td>
<td></td>
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<td></td>
<td>Diversity of interests (society)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Diversity of interests (SRTs)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Conceptual confusion</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Comparability</td>
<td>✓</td>
<td></td>
<td>(✓)</td>
</tr>
<tr>
<td></td>
<td>Supply chain</td>
<td>✓</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Competition (among SRTs)</td>
<td></td>
<td>✓</td>
<td></td>
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<tr>
<td></td>
<td>Industry creation</td>
<td></td>
<td>✓</td>
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<td></td>
<td>Common practice</td>
<td></td>
<td>✓</td>
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</tbody>
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| Internal, inside organisation | Strategy, saliency | (✓) | ✓ | |
| | Resource availability | ✓ | ✓ | |
| | Conceptual confusion | ✓ | | |
| | Data collection | ✓ | | (✓) |
| | Triangulation | ✓ | (✓) | |
| | Tradition | | ✓ | |

Organisational strategy and evaluation of saliency was not discussed explicitly by any of the interviewees as a potential reason for the plurality of sustainability reporting. Nevertheless, given that the success of SRTs is closely linked to their adoption rate by organisations, the developers naturally take organisational wishes and expectations into consideration. Furthermore, practitioners in the field can – and do – make efforts to change the landscape of sustainability reporting through lobbying, as also mentioned sporadically by the interviewees. Hence the parentheses in the column “Reasons” in Table 7. With regard to navigation, the interviewees did not explicitly mention neither comparability, data collection, nor triangulation. However, as subsequent sections show, these aspects of sustainability reporting were held in high regard by all the interviewees, and it must be assumed that these factors therefore do play a role for the interviewees when they navigate the plurality of the field. Hence the parentheses in the column “Navigation” in Table 7.


4.3 Future of sustainability reporting

The following sections illustrate the interviewees’ views and perspectives on the future of sustainability reporting, including the harmonisation thereof (Section 4.3.1), the regulation thereof (Section 4.3.2), and what they expect from it (Section 4.3.3).

4.3.1 Harmonisation of sustainability reporting

As discussed in Section 2.3, in recent years the plurality of sustainability reporting has increasingly led practitioners to question the current state of the field, and this sentiment was also shared by the interviewees:

“[…] I don’t know if it’s a trend, but there’s, like, a bit more questioning the entire landscape because there are just so many different frameworks that you, you could follow […]” (CONS-1)

The skepticism towards the plurality has, in turn, led to various calls for a harmonisation (or unification or standardisation) of sustainability reporting both in business and academia (see Section 2.3). The general view on a harmonisation of sustainability reporting was positive among the interviewees, although their opinions differed as to what extent the field needs to be harmonised. While one interviewee entertained the idea of having one single set of (mandatory) standards for sustainability reporting (e.g. ESRS), it was generally argued that having a single standard (like IFRS for financial reporting) would not be possible in practice:

“[…] from a very from hands-on, doer perspective, I think it’s good that we have one standard, I hope it will be concise, I hope it will be a, like, less-is-more-kind-of-principle […]” (CORP-1)

“[…] it (.) might be, like, difficult just to, like, put all of them together and then (.) say that now we have this one that suits all the, like, sustainability aspects, that it’s, like, good for all different sectors who want to use it, and then also it takes all the, like, needs of different stakeholders, I just think it’s quite (.) diverse […] you have so many different ones (.) going to have them just choose one, unifying all of this, I think it could be difficult […]” (CONS-1)

Indeed, it was argued that it is a benefit to have some degree of plurality in sustainability reporting, because it allows the field to continuously adapt to emerging sustainability issues, whereas a single standard would make such adaptation difficult for bureaucratic reasons. Likewise, interviewees were of the opinion that individual standards must allow for some degree of plurality in practices to account for diversity in how different organisations conduct their sustainability reporting in different contexts. The majority of interviewees were ultimately in favour of some sort of middle ground with less plurality than is currently the case in sustainability reporting but
without complete uniformity as in financial reporting (though several interviewees pushed for sustainability reporting to become more like financial reporting to some extent; see Section 4.3.2). These three points are here illustrated by quotes by interviewee THINK:

“[…] if you imagine that we had one global standard and everybody would follow that global standard (.) how difficult would it’d be to, yeah, introduce a new element to the global standard? (.) the world changes all the time, new sustainability demands arise (.) and new needs and in one global standard you would actually have quite heavy processes, and you would need also agreement from very many parties to include something new […]” (THINK)

“[…] different organisations collect data in different ways and different types of data in, from their activities, and you have to use also effectively the data that you already have and include that, and different organizations, different organisations have different sets of data, different types that brings the diversity, but still you might have some more, some general structure (.) for how to do that, but still allow for diversity in how to compile the data practically […]” (THINK)

“[…] the challenge here is that, as with many other issues, too, if you have two extremes, you have a very sort of efficient way of working, like, one standard, and in the other way you have extreme pluralism and diversity (.) and, and the challenge is, is, is that we’re now in, in the far end in, in, in, in (.) pluralism, but I think that the, the good place to be is somewhere in the more, in the middle (.) not one standard or one or two or three standards, but somewhere in the middle where you, for smaller companies you have some lead, a few leading standards that, that, that are useful in their contexts, and, and still this plurality, pluralism and room for forerunners to develop their approaches. […] right now we are more or less in the jungle side […]” (THINK)

When talking about a harmonisation of sustainability reporting, a few interviewees were aware of efforts in the private sector, notably SASB and ISSB, but stated that they did not possess enough knowledge about such efforts to discuss them in any detail. Instead, the interviewees generally focused on the importance of – or were only aware of – upcoming EU regulation:

“[…] no, no, I’m only aware of the NFRD which is now in in place, and then the CSRD, which is sort of replacing the NFRD […]” (Inv-2)

“[…] there is, of course, the part of it is, is the European Sustainability Reporting Standards that are going to be (.) going to be developed, so that’s something that I’m, I’m, I’m aware of that, that effort, standardisation (.) and the work that is (.) is taking place at EFRAG […] I’m actually not aware of any other (.) process of, of standardisation, there might be some better […]” (NP-NGO)

As for motivations, the interviewees primarily highlighted the role that a harmonisation of sustainability reporting could play in unifying terminological and conceptual understanding within the field, and in establishing common ground rules for measuring sustainability, improving transparency and comparability:

“[…] it would be great if every company had to actually use the standards in the reporting and, and disclose that type of data, it would, wow, it would be amazing for, for the consumer and for the investor and, you know, to have all that transparency […]” (Cons-2)

“[…] the things that are kind of standardised are nice to have because then you, it’s easy to, to, to measure and compare, compare companies to each other […]” (Cert)
From a more practical point of view, it was also suggested that harmonisation could decrease reporting fatigue:

"[...] it would be easier for companies to follow the, or to find, like, the right balance between. (.) how much resources you need for compiling the report versus what is the advantage of the report and, and value of the report [...]" (CORP-1)

While reasons of credibility, positive externalities, and economic growth have been highlighted as motivations for a harmonisation of sustainability reporting in the literature (see Section 2.3.1 as well as Table 4 on page 20), such motivations were not mentioned nor addressed explicitly by the interviewees. In any case, regardless of what the motivations might be, the interviewees argued that the efficiency – or quality – of the harmonisation will only be as good as that of the standards underlying it:

"[...] whether these expectations will be realised, you know, a lot depends on how good the standards will be, and (.) and at the same with assurance, you know, a lot depends on how good the, good the kind of stand-, assurance providers will be, so the same with the standards and look depends on, on the quality of the standard itself [...]" (NP-NGO)

### 4.3.2 Regulation of sustainability reporting

All interviewees were in favour of making various aspects of sustainability reporting mandatory, with two interviewees even calling themselves fans of regulation:

"[...] I’m a fan of regulation, so I would be happy to see some regulation there, and I think it would be kind of, uh, uh (.) it would be safer for companies to kind of have a bit of regulation to keep them on the right, right path [...] I think there should be a bit of like regulation because then it’s the, it’s a, it’s quite, quite, like, a wild market at the moment [...] I think there should be a bit of like regulation because then it’s the, it’s a, it’s quite, quite, like, a wild market at the moment [...]” (CERT)

"[...] I am personally hoping for it’s, uh, unified a bit more, so that companies, like, the comparability is better and (.) I’m, I’m a fan of regulation somehow, that there are rules that you need to comply with, and that you need to do something (.) in a certain way, and also I’m kind of a fan of assurance because currently without assurance in (.) in theory, company could make up their sustainability reporting, they, in theory they could report anything just, like, I could just, like, make up figures from my mind and put it in our report (.) if it’s not assured, I really, truly do hope that no company ever does that, but in theory that could be possible [...]” (BANK)

However, the interviewees were generally of the opinion that regulation only ought to be moderate, speaking of minimum requirements to support sustainability reporting but not dictate it, and emphasising the importance of co-operation between the public and private sectors:

"[...] a kind of a public (.) initiative and leadership is needed, and a little bit of mandatory push as well, to make things happen, but then you have to be able to do it in a way that is feasible and, and plausible for, for both financial and non-financial sectors, and also the ones who then, and other stakeholders who are using this information, so hopefully this kind of doing this thing together, but making it sure that it’s somehow mandatory [...]” (CORP-2)
“[...] I want to see, uh, regulation in, like, setting the minimum standard but not (.) too, too much, like, this is the reporting framework you need to, to do, but, like, maybe, maybe the minimum standard and then regulation recommendations [...] a combination of a bit of a regulation and then setting the, the minimum, like, uh, high enough so that all companies need to start doing the reporting, and then maybe taking it further in, in coming years [...]” (Cert)

By contrast, there was much uncertainty among the interviewees as to how increasing regulation on sustainability reporting will affect the plurality thereof. On the one hand, some interviewees believed that regulation would lead to an end of voluntary reporting provisions, or at least to a decrease in their use (cf. the discussion of having one standard in Section 4.3.1). It was argued that regulation – representing new reporting provisions – would essentially increase reporting fatigue and, being mandatory, would be preferred over voluntary ones:

“[...] I don’t think the voluntary guidelines will survive, like, why? [...] I think every company needs to make their own decisions, but at least from my perspective, I don’t see why we would be producing GRI reports (.) when we sort of need to make an ERS report [...] I think a lot of the content that is currently in GRI reports, that will be moved into sustainability communications channel, and it will be done on an ongoing basis, like, as we go forward, not just once a year but, like (.) once a month you will be updating it, ‘here we are and this is what it is going on’ [...]” (Corp-1)

On the other hand, other interviewees suggested that regulation will actually increase plurality, arguing that regulation will legitimise the field of sustainability reporting and thereby stimulate a market for a growing number of competing voluntary reporting provisions which cater to the mandatory reporting needs of organisations:

“[...] it might lead to even more service providers because now that the voluntary (.) uh, the, the work has been voluntary, so basically it’s been up to, uh, companies’ own kind of (.) how they see the, the, you know, their business and, and if there’s a lot of demand for being, you know, sustainable [...] when there will be more regulation, it’ll kind of (.) change the whole business in the way that there’ll be more companies that have to start doing the reporting and have to start, you know, taking care of their sustainability, so it’s, like, ‘OK, we haven’t been doing it, where can we buy the service?’ and then it’ll probably, I think it’ll create a lot of business in the kind of provider services [...] there are some risks that it’ll be like the Wild West [...]” (Cert)

Finally, located somewhere in between these opposing views were the opinions of yet other interviewees who believed that the status quo would prevail, as organisations that do not fall under CSRD would still need reporting provisions, or that there would be some restructuring of the field in terms of reporting provision providers consolidating or re-inventing themselves:

“(...) I think the CSRD hopefully will go hand in hand with some other frameworks (.) and that they, is it like support each other, and not that they have totally different information, but they together make a the good picture, and why I’m saying, like, I think it’s going to be this way is because there are clients who are, like (.) companies also thinking that ‘should we choose now to stop GRI reporting, because there’s going to be CSRD?’ so I think that’s a very valid question, but I think, and as they are collaborating, so I think they (.) they want and they, they know that they want it to be some kind of (.) way to, to do it together, and also because there are companies who won’t fall under CSRD, so I think they still want to have some kind of framework [...]” (Cons-1)
“[...] I think it’s interesting that, usually when, and I think also, like, this voluntary framework, like, the organisation holding up them might be afraid of, of that they are vanishing, but it doesn’t, it hasn’t really happened, maybe some of them would merge with some bigger ones [...] I don’t think that they are going to vanish, I don’t think any, like, standardisation is always on a certain level of abstraction, and then, if you’re working in a certain niche more than others, you might need some other help for that, or () and I think also organisations are, it’s an interesting thing how organisations are preserving themselves, so maybe some of the frameworks will kind of like re-invent themselves to be something else [...]” (Assoc)

4.3.3 Development of sustainability reporting

In terms of expectations regarding the development of sustainability reporting, interviewees naturally had differing opinions as to what themes they believed that deserved more attention, be it fairness, human rights, or the supply chain. They also had various ideas as to how the reporting ought to be presented, be it in certain digital formats or in certain narrative formats. However, the interviewees also shared the common sentiment that sustainability reporting as a practice and as a field must change more fundamentally:

“[...] less is, is talked about how, how to develop the, the whole idea of, of sustainability reporting, how to develop the, the, like, like I said, how to bring it in, the interconnectedness, how to bring in the transformative (.) uh, perspective and, and, and how to bring in the collective responsibility issues, so how do you, really the whole idea of, of, of, doing of promoting sustainability as a systemic change? (.) it really, it sets quite new demands for organisers, this is not what’s, this is not talked about so much, the, the most discussion is on what, what, what new demands and topics we should include in some new standards [...]” (THINK)

Most notably, the interviewees repeatedly argued for impact to taken increasingly into account in sustainability reporting, highlighting the double materiality of CSRD as an important step in right direction:

“[...] one of the big challenges at the moment within the ESG space is the fact that ESG at this moment in time is really just (.) encapsulating the risks within the company, right? so we’re not even talking, we’re still not even talking about what is the impact, what sort of impacts does this company have on its environment, be it the physical environment, be it in the community it operates, et cetera, right? there’s no, of course there is a, there is a space out there where, you know, the ideas of impact investing and all that is coming through, right? () but even that in itself has so many definitions, so many ways of doing it [...]” (Inv-1)

“[...] the CSRD has the, the kind of, uh, new-newer approach to the double materiality in a way that it has the, the, of course, the impact of the company to environment and so on, and then on the other hand, what, for example, climate change, what kind of impact it has on the company? and then (.) that being the one, one dimension with these two elements, and then the second dimension being then (.) uh, stakeholders, so what is relevant to the stakeholders? because then it, it might sometimes be that what, what is relevant to the stakeholders and what, what looks like an important topic then in terms of impact, for example to nature or environment, it might be that that’s not the most relevant one [...]” (Corp-2)

As already suggested by the discussions in the various preceding sections, to efficiently handle and capture impact, the interviewees called for more stringency in
requirements, more conceptual uniformity, and better ways to measure sustainability. In terms of measurement, several interviewees argued that sustainability reporting must become more numerical to allow for, e.g., machine readability (as also proposed in CSRD; see Section 2.2.1), drawing on parallels from financial reporting:

“[…] when you issue a financial report, it needs to be machine-readable, so it needs to have this XBRL or whatever is the, the coding system for doing that, that is also becoming mandatory for sustainability reporting, so, so I think, you know, it’s just going to be (.) uh, more significant in the future and, and now with this whole sort of machine readability, it’s also just going to increase the availability of this type of data, too (.) any type of player who has online access […] by making it machine-readable, for example, the comparability is gonna increase a lot […]”

(CONS-2)

Furthermore, the interviewees emphasised the importance of getting all societal actors onboard with sustainability reporting. While upcoming EU regulation will help in this respect, interviewees argued that additional initiatives might be necessary to increase engagement among small-cap companies and micro-enterprises that fall outside regulation and/or do not have the resources to do sustainability reporting, and among public organisations which do not typically produce independent sustainability reports:

“[…] the public sector has not really engaged so much in, in doing reporting on the activity, direct activities of the individual organised public organisations (.) their approach has been this more collective approach […] for smaller companies, what, what might be interesting is this, developing these, these, these, these collective […] responsibility reporting systems, so it might, this is just a crazy idea now, but, but, but, but, but the mandatory stuff would be that you are part of a collective (.) collective system, that might be one, one, one direction to go as well (.) so you don't have to do it all yourself, but you have to be a part of it, some collective […]” (THINK)
5 ANALYSIS

An analysis of the results presented in the previous chapter reveals five underlying institutional orders which, as this chapter will show, also recur in other aspects of sustainability reporting. Underlying the views and perspectives of the practitioners and stakeholders interviewed, the five orders make up an interinstitutional system representative for the institutional field of sustainability reporting in Finland. As already briefly described in Section 3.4 (Data analysis), the foundation for the logics emerged inductively as core themes in the thematic analysis of the interviews, each theme encompassing perspectives, principles, and practices with a common denominator. Five denominators were particularly common in the data: business, professionalisation, compliance, accountability, and sustainability. These themes were subsequently formulated as logics in the spirit of Thornton et al. (2012) who considers logics to have nine core elements (see Appendix 5). Five of these elements were found to be relevant to the analysis of the present study: basis of strategy, basis of attention (here called strategy and attention, respectively), sources of legitimacy, sources of authority, and sources of identity (here called legitimacy, authority, and identity, respectively). These elements were placed on the Y-axis in Table 8, while the abovementioned five logics derived from the core themes were placed on the X-axis. The various elements for each logic do, in turn, reflect the perspectives of the interviewed practitioners and stakeholders, and thus underlie “sensemaking, the vocabulary they use to motivate action, and their sense of self and identity” (Thornton et al., 2012, p. 2).

Table 8 Logics of sustainability reporting (elements)

<table>
<thead>
<tr>
<th>Element</th>
<th>Strategy</th>
<th>Attention</th>
<th>Legitimacy</th>
<th>Authority</th>
<th>Identity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business</td>
<td>Profession</td>
<td>Compliance</td>
<td>Accountability</td>
<td>Sustainability</td>
</tr>
<tr>
<td>Strategy</td>
<td>Gain profit and grow</td>
<td>Increase reputation</td>
<td>Fulfill compliance requirements</td>
<td>Increase accountability</td>
<td>Improve sustainability</td>
</tr>
<tr>
<td>Attention</td>
<td>Profitability and growth</td>
<td>Prestige and prominence</td>
<td>Compliance and obedience</td>
<td>Responsibility and transparency</td>
<td>Sustainable development</td>
</tr>
<tr>
<td>Legitimacy</td>
<td>Market position</td>
<td>Professional expertise</td>
<td>Laws and customs</td>
<td>Social value system</td>
<td>Planetary and human needs</td>
</tr>
<tr>
<td>Authority</td>
<td>Management and shareholders</td>
<td>Public perception and ratings</td>
<td>Legislative and directive bodies</td>
<td>Society and stakeholders</td>
<td>Planet and ecosystem</td>
</tr>
<tr>
<td>Identity</td>
<td>Economic success</td>
<td>Professional reputation</td>
<td>Commitment to rules</td>
<td>Integrity</td>
<td>Sustainable championship</td>
</tr>
</tbody>
</table>
In Table 8, the element of strategy indicates what the strategy of practitioners and stakeholders engaged in sustainability reporting is according to a given logic, while the element of attention highlights the core focus of the said strategy. Next, the element of legitimacy denotes that which legitimises a strategy and the attention thereof. The legitimacy is, in turn, judged or determined by that in the element of authority. Finally, the element of identity stipulates how a logic contributes to the identity of practitioners and stakeholders. The five logics and their respective elements in Table 8 are discussed in more detail in the next five sections alongside references to previous research relevant to each logic. As described earlier in Section 2.4.1 (Theory of institutional logics), institutional logics can operate at various levels of analysis, including individual, organisational, industry, and societal levels (Thornton et al., 2012), and the logics in Table 8 are no exception in this regard. These levels of analysis are explored systematically in relation to each logic in the next five sections, and a summary of the levels of analysis on which the logics operate follows in Table 9 on page 62.

5.1 **Business logic**

Thornton et al. (2012) differentiate between *market* and *corporation logics* (Appendix 5), yet in reality these logics have often been found to be “intimately related” and their expected behaviours “blended and blurred” (Arena et al., 2018, p. 347). For a corporation to persist and succeed, its underlying logics and mechanisms must be grounded in those of the market. As the interview data does not indicate or warrant a distinction between market and corporation logics, the analysis here follows Arena et al. (2018) and Mahmood & Uddin (2021) in proposing a single institutional order of logics – a *business logic* – which underlies both the market and organisations. Based on the interviews, the strategy of this logic is to gain profit, grow, and avoid competitive disadvantage through sustainability reporting, and the logic thus focuses on profitability and growth. The strategy and attention are legitimised by market position and dependent on the management and shareholders in authority, while identity rests on economic success.

The business logic is, for instance, reflected in the interviewees’ views presented in Section 4.1.2 (Motivations for engagement) that sustainability reporting can be used as a means for attracting investors and boosting share price (INV-2), for pursuing corporate strategy and increasing cost effectiveness (THINK), and for managing risks to
safeguard operations (CERT). The business logic is also evident in the competition among SRT providers highlighted by interviewees (CORP-2, CERT) as a benefit of the plurality in sustainability reporting, as described in Section 4.2.3 (Benefits of the plurality). As Hess (2014, p. 14) suggests, “[a]s corporations feel greater pressure to produce sustainability reports [...] there is a potential for a ‘race to the bottom’ where corporations seek to adopt the most lenient standard and the standard setters compete to provide that standard.” In the words of interviewee BANK, “obviously these companies that make all the frameworks and standards, obviously they want the other companies to use their standards and frameworks.” Furthermore, as mentioned in Section 4.2.1 (Reasons for the plurality), interviewees themselves also explicitly argued that the field of sustainability reporting represents a business (THINK). As observed by interviewee INV-2, “it’s a business opportunity where you have big, great demand for ESG data.”

As also argued in the literature, there is, in other words, a business case for sustainability reporting (Hess, 2014; Mahmood & Uddin, 2021). Consequently, changes to the field of sustainability reporting such as those discussed in Section 4.3 (Future of sustainability reporting) might require practitioners to adjust their business models accordingly. This was, for example, discussed by interviewees in relation to the potential consolidation and/or re-invention of reporting provisions (ASSOC) in the wake of regulation mentioned in Section 4.3.2 (Regulation of sustainability reporting), and also in relation to sustainability ratings:

“[...] when everything gets standardised (.) they have, have, uh, they are in a little bit different situation because now you, it’s, it’s (.) it’s not, I mean, because today MSCI has hundreds of analysts who sort of put this data together (.) because the companies don’t report it, so they have to, you know, make it up themselves or, or look for it, but once that changes, then I think that, that the business model maybe changes also a little bit for these ESG databases [...]” (INV-2)

As the evidence for a business logic in sustainability reporting highlighted above suggests, the general view among the interviewees was that such reporting might help a company avoid a competitive disadvantage and boost its market position. The business logic was thus visible in the data mainly on an organisational level. However, the logic was also visible to some extent on an industry level. For example, interviewees CORP-1 and CORP-2 described how their respective organisations co-operate with other actors within their respective industries regarding sustainability reporting in order to promote their mutual business interests:
“[...] the United Nations Global Compact principles and the SDG progress reporting we are doing together with other industry operators (,) by, uh, a joint industry corporation association, it’s called [anonynised association], so there we report the progress against SDGs [...]” (CORP-1)

“[...] now with [anonynised industry standard], for example, then, then, we, we can also push that and, and to make it more recognised and, and get different, our stakeholders and, and whoever more aware of that [...]” (CORP-2)

By contrast, individual monetary gains did not emerge as a factor underlying sustainability reporting in any of the interviews. Likewise, as already noted in Section 4.3.1 (Harmonisation of sustainability reporting), none of the interviewees discussed the broader economic societal effects of sustainability reporting. It has otherwise been argued in the literature that sustainability reporting might play an important role in economic growth on a societal level (Tschopp & Nastanski, 2014).

5.2 Profession logic

Following Thornton et al. (2012), Arena et al. (2018), and Mahmood & Uddin (2021), the present analysis recognises a profession logic, the basis of which is to increase reputation, and the focus of this logic is accordingly prestige and prominence. The strategy and attention are legitimised by professional expertise which is ultimately assessed by the public and, e.g., sustainability ratings. In turn, the identity of the logic is based on professional reputation. Based on the interviews, the profession logic is thus associated with the professionalisation of sustainability reporting and the reputation that follows from it.

While the reputational aspect of the profession logic can be linked to market logic, as reputation often entails some kind of competitive advantage (Arena et al., 2018), reputation is also a goal in itself (Thornton et al., 2012). As Mahmood & Uddin (2021, p. 1176) argues, “[p]rofessional sustainability practitioners view reporting as important not only for firms’ reputation and prestige but also for the individual reputation and prestige of managers.” While none of the interviewees explicitly stated that they engage in sustainability reporting for such reasons, they typically expressed a feeling of pride when discussing the accomplishments of their respective organisations, identifying themselves therein. On an organisational level, it was repeatedly mentioned that reputation plays a role when engaging in sustainability reporting. For instance, as noted in Section 4.1.2 (Motivations for engagement), it was suggested that an organisation can use sustainability to make a name for itself (BANK). Furthermore, interviewees observed that the quality rather than the quantity of sustainability
reporting is becoming increasingly important, reflecting the professionalisation of such reporting within organisations:

“[...] it [i.e. sustainability reporting] is not gonna be anything special anymore, it's, it's gonna be, uh, like, like companies are doing their financial reporting, it's gonna be just another set of data, it's not gonna be something that, that is sort of, you, you, you will not be able to differentiate yourself as a company because it's all gonna be standardised [...] you will rather go to a company which has a high whatever score you think is important rather than to the neighbour, which is scoring a bit lower [...]” (Ixn-2)

On an industry level, it was noted in Section 4.1.1 (Recent trends in engagement) that sustainability reporting is gradually becoming a practice in its own right (CORP-1), and in Section 4.3.3 (Development of sustainability reporting) it was mentioned that there was a general wish from the interviewees to promote and move the field forward, for instance in terms of comparability. The interviewees were typically of the opinion that sustainability reporting should have the same status and prestige as financial reporting:

“[...] I don't think that we have leverage here [in sustainability reporting], but it, it's more when you get the financial markets in, then things start happening, so also here, if we are able to then kind of lift the status of sustainability reporting (.) so that it's seen as, as important or almost as important as financial reporting [...] then (.) that should make these things [i.e. issues of sustainability] also get (.) and how would, how would I say it (.) uh (.) become more visible on the, on the agendas of those persons who should and are able to act on them even more [...]” (CORP-2)

Evidence for the profession logic on a broader societal level did not emerge from the interview data. As discussed in the next section, interviewees were well aware that governments, cities, and the public sector in general engage in sustainability reporting, but generally linked such engagement to extranational compliance rather than to questions of professionalisation or reputation.

5.3 Compliance logic

The state logic proposed by Thornton et al. (2012) is linked to regulation by Besharov & Smith (2014) and Arena et al. (2018), while Mahmood & Uddin (2021) describes it specifically as a regulatory logic based on the principle of “practice driven by regulation” in relation to sustainability reporting. However, in the present analysis, the logic in question is extended to also cover other kinds of compliance than just compliance with union- or state-mandated regulation. Based on the interviews, the basis of strategy in this compliance logic is accordingly to fulfill compliance requirements of any kind, and the logic thus focuses on obedience. The strategy and attention are legitimised by laws and customs formulated by both legislative (state) and
directive (non-state) bodies of authority, while identity is ultimately determined by commitment to rules. The reasons for this broader scope are explained below.

As evident throughout the previous chapter, the data from the interviews showed that regulation is an omnipresent issue of interest to practitioners and stakeholders engaged in sustainability reporting. Regulation was, for example, considered by interviewees to represent a recent trend in sustainability reporting (Section 4.1.1), to be a motivation for engagement in sustainability reporting (Section 4.1.2), to represent a reason for the plurality in sustainability reporting (Section 4.2.1), and not least to be intertwined with the question of a harmonisation of sustainability reporting (Section 4.3.1). In these respects, the compliance logic was discussed mainly on an organisational level. However, the discussions of some interviewees also testified to a similar logic on a societal level. For instance, interviewees noted that governments also employ sustainability reporting to comply with extranational obligations relating to sustainability like, e.g., the Paris Agreement and Agenda 2030, and cities and state-owned organisations support them in this respect:

“[…] Agenda 2030 sort of requires that governments take responsibility and, and do these country reports and stuff like that, so there will be a lot of country reports or sustainability and regional reports, and cities do their reports, and they look at the community as a whole […]” (THINK)

“[…] the state owner has set some expectations regarding a tax footprint reporting, so countries make tax footprint reporting, so they have published their sort of (.) uh, tax footprint reporting guidelines, and those we’re also following because we are a 100 % state-owned company […]” (CORP-1)

In addition to regulation, interviewees mentioned that compliance might also be determined by common practice in the market. As discussed in Section 4.1.2 (Motivations for engagement), sustainability reporting has become a “must” to engage in (ASSOC); and in Section 4.2.4 (Navigation of the plurality) it was discussed how practitioners might simply “go with the flow” when choosing SRTs without questioning their fit for their organisations (CORP-1). In these respects, interviewees expressed a feeling of obligation to do whatever everyone else is doing – in other words, to follow unwritten rules implicitly dictated by the most prominent actors in the market. The most prevalent example of such compliance in the interviews was GRI which is widespread in the Finnish world of business, for which reason organisations gravitate towards this particular reporting provision. Discussions of such mimetic isomorphism (DiMaggio & Powell, 1983) were often accompanied by exercises of self-reflection by the interviewees:
“[…] I’m not sure, is it [i.e. GRI] the best one? or, or is it just the, that most companies use it, so it feels like the best one because it’s the most common one? […]” (BANK)

As described by various interviewees, the mimicry also applies to specific sectors or industries. For instance, as mentioned in the previous section on business logic, the organisation which interviewee CORP-2 represents, adheres to a particular (anonymised) sustainability-related industry standard, and the interviewee in question suggested during the interview that it has become given for organisations in the industry to move towards this standard. Industries are, in other words, home to their own common practices:

“[…] there are, like, better ratings than, like, regular ones (,) yes, so, so then everyone working in a sector, they know about their kinds of rating frameworks […] if you come, are coming as an outsider, it might be difficult to differentiate which one is better, but I think there is, uh, among the people who are working with certain topics, there is a good understanding of which ratings are actually the most appreciated […]” (ASSOC)

In a similar vein, during the interviews it was repeatedly noted that the EU taxonomy groups activities according to thirteen different sectors (EC, 2022a) which might lead to different compliance practices among different organisations.

### 5.4 Accountability logic

In their *community logic*, Thornton et al. (2012) place extraorganisational stakeholders in focus by emphasising the importance of community values and ideology. Thus, at the core of this logic lie societal impact and stakeholder inclusiveness (Arena et al., 2018; Mahmood & Uddin, 2021). By analogy with corporate social *responsibility*, Mahmood & Uddin (2021) call it a *responsibility logic*. However, as noted in the literature, practitioners and organisations are increasingly expected to be not only responsible for their actions but also accountable for them. For instance, as Tamvada (2020, p. 7) argues, “[i]n the absence of accountability, there is no mechanism to question irresponsible behaviour and the actors are not answerable for their actions,” and “[a]ccountability, thus, keeps a check on the actions of the actors who have the responsibility or obligation to discharge their functions under a role.” Accountability for one’s impacts was also a recurring theme in the interviews, for which reason this analysis speaks of an *accountability logic*:

“[…] third-party assurance is important, I think it, it is an important way of, at least it shows some sort of commitment by the company to say, ‘look, we really want to adhere to the best (,) uh, standards in terms of transparency and accountability, and we want other third parties to, to hold us into account’ […]” (INV-1)
“[...] the formal reporting can also be, or is an, an important part of that (...) communication aspect and it, it, it, it can provide important information for NGOs like us to kind of hold companies accountable [...]” (NP-NGO)

Thus, based on the interviews, the basis of strategy in compliance logic is accordingly to increase accountability through sustainability reporting, and the logic is therefore also attentive to responsibility and transparency. The strategy and attention are legitimised by a social value system determined by society, while identity is conditioned by integrity. Thus, while the compliance logic is fixated on compliance with mandatory requirements (e.g. regulation) or perceived mandatory requirements (e.g. unwritten rules and common practice), the accountability logic relates to socially determined moral requirements and conduct towards external stakeholders and communities at large. The accountability logic is, for example, evident in the calls among the interviewees for more responsibility and transparency towards stakeholders in order to “shed light on the true impact of a company” (CONS-2) discussed in Section 4.1.2 (Motivations for engagement). The logic is also visible in the interviewees’ views on meeting stakeholder expectations in Sections 4.2.1 (Reasons for the plurality), 4.2.2 (Challenges of the plurality), 4.2.3 (Benefits of the plurality), and 4.2.4 (Navigation of the plurality).

As suggested by the discussion above, the accountability logic mainly emerged on an organisational level in the data, because the interviewees generally identified themselves directly with the organisations for which they work, or they would describe other organisations. However, occasionally the interviewees would deviate from this habit and engage in descriptions of their personal experiences relating to accountability and how they have invested time therein, going beyond what might be required by their work descriptions. This suggests that the accountability logic also applies to sustainability reporting on a more individual level, and that the interviewees also feel a sense of personal accountability towards their organisation, industry and/or society:

“[...] I think that if you can make some, some personal decision in a way and, of course, I think then that proliferates across all levels of society, be it if you work in a company and be it you work for, for a pension fund [...]” (INV-1)

“[...] and then with the CSRD (...) I was trying to ask around if, if, for example, industry associations have any, any activities related to this topic [i.e. working groups for sector-specific development], but it’s such a weird combination of sustainability entering the financial reporting and other, other stuff, so it really, it kind of falls in between both here, in the national industry associations, and on the EU-level as well, so actually it’s, it’s one of the things that I asked directly (...) from both here in Finland and, and in Brussels [...]” (CORP-2)

Unlike in the cases of business and compliance logics, the accountability logic did not emerge from the data on broader industry and societal levels.
5.5 Sustainability logic

As already discussed in Section 2.4.2 (Institutional orders and logics), there is some debate in the literature as to whether or not sustainability is incorporated into other logics, or whether it represents a logic in its own right. In line with Watson et al. (2012), Corbett et al. (2015), and Zimmermann (2020), the present analysis recognises a sustainability logic. Based on the interviews, the basis of strategy in this logic is that sustainability reporting improves sustainability in the long run, and its main focus is thus sustainable development. The attention on sustainability is legitimised by human and planetary needs determined by the ecosystem, while identity is based on the championship of such needs. Thus, whereas the accountability logic discussed in the previous section is conditioned largely by a social value system in terms of, e.g., responsibility and transparency, the sustainability logic is conditioned by a wish to care for the planet and ecosystem. The accountability logic is, for example, prominent in both sustainability and financial reporting, while the sustainability logic plays a much greater role in the former than in the latter. This contrast highlights the need for separate logics.

As already discussed in Section 4.1.2 (Motivations for engagement), interviewees argued that the sustainability logic typically interplays with other logics. For instance, as interviewee BANK noted, on an organisational level, companies “want to do good business without doing harm,” illustrating the intermix of business and sustainability logics. On an individual level, it was repeatedly suggested that, being parts of a larger ecosystem, practitioners and stakeholders are unlikely to act solely in their own respective interests:

“[…] if you look at the environment as a whole, you know, the earth, like, where we are, you know, just think about it like a, like a stage in the theatre, we are all just, like, you know, pieces of this play that's happening [...] I don't think anybody wakes up every morning thinking, 'you know what? I'm gonna try and have my own (...) and, and destroy things' [...]” (INV-1)

Moreover, as discussed in Sections 4.3.1 and 4.3.2, the harmonisation and regulation of sustainability reporting are intended to support sustainable development and are driven not only by individuals and organisations, but also by the field of sustainability reporting more broadly and society at large.
5.6 Levels of analysis

The various levels of analysis on which the various logics discussed in the preceding sections are embodied in sustainability reporting are summarised in Table 9. The X-axis features the logics, the elements of which were presented in Table 8 on page 53, while the Y-axis features the four levels of analysis according to Thornton et al. (2012). In turn, each tick represents the attestation of a particular logic on a particular level of analysis based on the interview data. Table 9 does, in other words, portray which logics practitioners and stakeholders on different levels of analysis might draw upon when engaging in sustainability reporting, according to the perspectives and views that emerged during the interviews.

<table>
<thead>
<tr>
<th>Level of analysis</th>
<th>Logic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business</td>
</tr>
<tr>
<td>Individual</td>
<td>✓</td>
</tr>
<tr>
<td>Organisational</td>
<td>✓</td>
</tr>
<tr>
<td>Industry</td>
<td>✓</td>
</tr>
<tr>
<td>Society</td>
<td>✓</td>
</tr>
</tbody>
</table>

As discussed in Section 2.4.1 (Theory of institutional logics), being nested in higher-order levels, individuals have access to the same logics as organisations, industries, and society in theory (Thornton et al., 2012), e.g. business logic (for the sake of a salary) and compliance logic (to comply with demands from an employer). However, since these logics did not emerge in practice on this level of analysis in the data, the business and compliance logics are not ticked on the individual level of analysis in Table 9. Thus, although each level of analysis is nested in the level of analysis below it in Table 9, it does not mean that each level of analysis necessarily shares the same logics as the levels of analysis in which it is nested, as here evident by the findings relating to the individual level of analysis. The various logics and their different levels of analysis presented are discussed further in the next chapter.
6 DISCUSSION

Through a discussion of the results and analysis presented in the previous two chapters, the present chapter addresses and answers the two research questions formulated in Section 1.1. The first research question focuses on the current state of sustainability reporting and the plurality thereof (Section 6.1), while the second research question focuses on the future state of sustainability reporting (Section 6.2). These discussions are followed both by an overview of the contributions and the implications of the study (Section 6.3 and 6.4, respectively) and by suggestions for further research (Section 6.5).

6.1 Navigating the plurality of sustainability reporting

The first research question underlying the study revolves around the issue of plurality in sustainability reporting and how it is navigated in practice by various practitioners and stakeholders:

RQ1. How and according to which logics do practitioners and stakeholders in Finland navigate the plurality of sustainability reporting?

This research question presupposes the existence of plurality in sustainability reporting, and this presupposition was substantiated by the data collected through interviews with practitioners and stakeholders professionally involved in such reporting. In line with literature on the matter (e.g. Farooq & de Villiers, 2018; van der Lugt et al., 2020; Capizzi et al., 2021), there was a strong consensus among the interviewees that sustainability reporting encompasses a wide variety of diverse practices and SRTs, and independently of each other, more than half of the interviewees illustratively referred to this plurality as a “jungle” (ASSOC, BANK, CERT, CONS-2, CORP-2, THINK). Reflecting findings in the literature, lack of regulation was found by the interviewees to be one of the main causes for the plurality, as sustainability reporting has been allowed to freely evolve according to different interests beyond the control of any single authority (Christensen et al., 2021). The attitudes of the interviewees towards the plurality of sustainability reporting were
generally ambivalent. On the one hand, the interviewees were of the opinion that the plurality poses more challenges than benefits, causing reporting fatigue (cf. Berg et al., 2022) and negatively affecting comparability in terms of both terminology and data (cf. Siew, 2015). On the other hand, the interviewees believed that the plurality is necessary for advancing the field of sustainability reporting given its unrestricted scope that allows for innovation in practices (cf. Bose, 2020).

To better understand the underlying mechanisms of the reasons above and other aspects of the plurality in sustainability reporting, five institutional orders of logic were identified in the analysis of the practitioner and stakeholder interviews: business logic focused on profitability and growth, profession logic focused on professionalisation and reputation, compliance logic focused on compliance and obedience, accountability logic focused on moral obligation to society, and sustainability logic focused on sustainable development and care for the ecosystem (see Table 8 on page 53). These logics were found to be particularly relevant to the field of sustainability reporting in Finland, and shed light on how the professional practices thereof have come into being and continue to evolve. Although the interviewed practitioners and stakeholders generally believed that the plurality of sustainability reporting poses more challenges than benefits, they were all strongly in favour of engagement therein. The analysis of the interview data found organisational engagement in sustainability reporting to be conditioned by all five logics, testifying to the complex push and pull effects faced by practitioners and stakeholders when navigating the plurality of the said reporting. For instance, when navigating the sustainability reporting jungle, a Finnish practitioner might draw on a business logic to avoid competitive disadvantage by choosing a certain SRT (Section 5.1), on the profession logic to make a name for itself (Section 5.2), on the compliance logic to meet regulatory reporting requirements or industry practices (Section 5.3), on the accountability logic to be transparent towards stakeholders (Section 5.4), and/or on the sustainability reporting to promote positive sustainable impact (Section 5.5).

The same five logics are accessible to individual Finnish practitioners and stakeholders within the field of sustainability reporting (Thornton et al., 2012), though the analysis found that the profession, accountability, and sustainability logics are most prominent and relevant on an individual level. In turn, sustainability reporting in different Finnish industries are subject to business, profession, compliance, and sustainability logics; while sustainability reporting on a broader societal level in Finland mainly is conditioned by compliance and sustainability logics (see Table 9 on page 62). As
suggested in the literature, the plurality of sustainability reporting can stem from the different responses of different organisations to different logics (Mahmood & Uddin, 2021). In line with this reasoning, the findings of the present analysis indicate that the plurality is further complicated by the responses of different individuals, industries, and societies to different logics. It is, however, worth noting that this inference does not necessarily apply equally to all kinds of plurality. The majority of the interviewed practitioners and stakeholders were well-versed in sustainability reporting provisions, and many were also well-informed about sustainability ratings and scores, but only a few felt confident discussing sustainability reporting assurance. Thus, the findings presented here might apply better to the plurality of sustainability reporting provisions and ratings than to the assurance of sustainability reporting.

Furthermore, given that the interviewed practitioners and stakeholders raised the issue of regulation more frequently than other issues pertaining to sustainability reporting, it seems that the compliance logic plays a particularly important role in the Finnish field of sustainability reporting. The interviewees argued that regulation has hitherto only played a moderate role in sustainability reporting but that the prominence of its role will increase considerably in the future with upcoming EU regulation (incl. CSDDD, CSRD, ESRS) and that its effects can already be felt. Indeed, there was a general feeling among the interviewees that the future direction of sustainability reporting is currently outside their control, and that the field is in some state of limbo until the regulation comes into full force. As one of the interviewed practitioners put it, “we are just waiting for the ESRS” (CORP-1). The anticipation of the practitioners and stakeholders with regard to the future of sustainability reporting is discussed further in the next section.

6.2 Anticipating the future of sustainability reporting

The second research question underlying this study revolves around the future of sustainability reporting and how various practitioners and stakeholders look upon it:

RQ2. How do practitioners and stakeholders in Finland anticipate that sustainability reporting and the plurality thereof will evolve in the future?
As noted in the previous section, the interviewed practitioners and stakeholders were of the opinion that the plurality of sustainability reporting in its current state poses more challenges than it offers benefits. For this reason, the interviewees were in favour of challenging the status quo, and generally depicted sustainability reporting as a field still in its infancy and in need of further development, lending support for the idea that sustainability reporting represents an emerging field of practice (Purdy & Gray, 2009; Vican & Pernell-Gallagher, 2013). The interviewees argued that to mature as a field sustainability reporting must undergo a harmonisation to a lesser or greater extent, drawing on parallels with financial reporting which is characterised by more uniformity in practices. However, whereas financial reporting “typically exhibit high levels of interaction dominated by a few players who establish the norms” (Mahmood & Uddin, 2021), the most common sentiment among the interviewees was that the field of sustainability reporting should not come to be dominated by too few players. Their view was thus in line with the argument against a single global sustainability standard-setting body by Adams & Abhayawansa (2022) presented in Table 3 on page 20, and in opposition to the first scenario of harmonisation proposed by Tschopp & Nastanski (2014) which would entail the rise of such a body as described in Table 5 on page 21.

Other prerequisites for the field of sustainability reporting to mature highlighted by the interviewed practitioners and stakeholders included a common vocabulary and shared definitions as well as more precise means for measuring sustainability, which together can increase comparability. Whereas Adams & Abhayawansa (2022) find that consistent and comparable metrics should not be a priority in the harmonisation of sustainability reporting, the vast majority of the interviewees reported the opposite – that comparability is paramount to the advancement of sustainability reporting. Evidently, contrasting the view of Albu et al. (2013), comparability can be an objective for practitioners and stakeholders when engaging in sustainability reporting. Furthermore, the interviewees called for a fundamental re-evaluation of how issues of sustainability are approached in reporting, emphasising the need for more focus on long-term impact and accountability therefor. These views indicate that the roles of profession, accountability, and sustainability logics are likely to become increasingly prominent within the field. By contrast, financial materiality was virtually absent from the discussions with the interviewees about the future, suggesting that the business logic is likely to diminish (cf. Adams & Abhayawansa, 2022).
The interviewees unanimously agreed that regulation is essential for sustainability reporting to achieve maturity, reflecting the unaltering prominence of compliance logic within the field. Nevertheless, although they welcomed the upcoming EU regulation on the matter with open arms, there was broad uncertainty among the interviewees as to exactly what the regulation will eventually look like and entail in practice. Ideally, however, the interviewees argued that the regulation should present minimum requirements that encompass the prerequisites for maturity discussed above while at the same time leave some room for practitioners and stakeholders to engage in additional voluntary reporting practices if they so wish. While regulation will undoubtedly harmonise certain aspects of sustainability reporting, the interviewed practitioners and stakeholders were unsure about the effects of regulation on the plurality of SRTs.

As already mentioned further above, the scenario of having one single standard-setting body (for example EFRAG in the case of Finland and the European Union) discussed by Tschopp & Nastanski (2014) was ruled out by the interviewees. Tschopp & Nastanski (2014) also describes two other scenarios – one in which existing providers of SRTs would work towards a common standard, and another in which the status quo with multiple providers of SRTs would remain. The latter scenario was considered probable by some interviewees, and in addition two additional scenarios emerged from the data: one in which the plurality of sustainability reporting in terms of SRTs would increase in the wake of upcoming regulation, and another in which the said plurality would decrease. Thus, as these different perspectives on the alphabet soup (cf. Bose, 2020) suggest, on the one hand, the EU regulation might help resolve the terminological and conceptual confusion within the field of sustainability reporting and unify practices to some extent. On the other hand, however, the regulation will not necessarily represent an end to the jungle of SRTs, in which case the challenges, benefits, and navigation discussed in the previous chapters will remain topics of debate in years to come.

6.3 Contributions of the study

The question of how sustainability reporting is institutionalised remains relatively understudied, and existing research on the matter has tended to focus on the said institutionalisation on an organisational level (Farooq & de Villiers, 2019). The present study not only expands on the academic understanding of how sustainability reporting
is institutionalised in general terms, but also contributes to the comprehension of how it is institutionalised on a broader field level. Following the example of Mahmood & Uddin (2021), the present study focuses specifically on the institutional logics of sustainability reporting. However, whereas Mahmood & Uddin (2021) examine the logics of sustainability reporting in the context of the Global South (Pakistan), this study helps shed light on how such logics operate in the the very different context of the Global North (Finland). The study thus presents an unprecedented look into the institutionalisation and the logics of the field of sustainability reporting in Finland. Additionally, the study calls attention to the importance of investigating the institutional logics of sustainability reporting from different levels of analysis (Thornton et al., 2012), because some logics evidently are more relevant to certain levels than to others, and might be expressed in different ways on different levels. Furthermore, the study proposes two scenarios for what the effects of EU regulation might have on the plurality of sustainability reporting alternative to scenarios previously attested in the literature (Tschopp & Nastanski, 2014).

6.4 Implications of the study

This study can be used by practitioners and stakeholders engaged with sustainability reporting in one way or another to better understand the underlying mechanisms and logics of the field at large. In order to have a common goal of advancing sustainability reporting and promoting sustainable value creation, it is necessary to know what others think. Through its holistic approach, the study elucidates different perspectives of different practitioners and stakeholders on different aspects of sustainability reporting and SRTs. These insights can be used by regulators, standard setters, and SRT providers for designing reporting provisions, ratings, and assurance practices that match and reflect practical needs within in the field. In turn, managers, organisations, consultancies, investors, and NGOs can use the insights for evaluating their own approaches to sustainability reporting in comparison to those of others, and potentially detect opportunities for improvement – or even potential for competitive advantage. More broadly, the study highlights issues in the current state of sustainability reporting that require attention for the field to advance. Finally, the findings of the study suggest that certain logics of sustainability reporting are likely to be more prominent in the future than others, signalling where it might be worth for practitioners and stakeholders to focus attention to keep a position on the forefront of the field.
6.5 Further research

The findings of this study encourage more research into the plurality and other aspects of sustainability reporting. Whereas this study provides a broad holistic view on the logics of sustainability reporting in Finland, further research is required to reveal the more intricate workings of the individual logics in different contexts. It would, for instance, be interesting to delve deeper into the mechanisms of a specific logic, or into the logics of certain practitioner and stakeholder groups, or into the logics of certain types of SRTs, or into the logics of different industries. Moreover, further research is needed to disclose how the logics underlying sustainability reporting identified in this study relate to – and are reflected in – the logics of other fields of practice pertaining to sustainability (e.g. ecodesign, sustainable investment, waste management, supply chain management, etc.). Additionally, the findings of the study can be used as a benchmark for assessing the effects of upcoming EU regulation on the field of sustainability reporting once it has come into full force. It remains to be seen how the regulation in question will impact the logics and plurality of sustainability reporting, and also whether it will lead to further maturation of the field.
7 CONCLUSION

This thesis has provided a comprehensive case study of the plurality in the field of sustainability reporting in Finland to reveal the mechanisms and dominant logics thereof. Based on an explorative and inductive analysis of eleven interviews with Finnish professionals engaged in sustainability reporting, the study has provided insights into both the current state and the future of the said plurality. In terms of current state, the study has uncovered key factors underlying the plurality, challenges and benefits associated with the plurality, and not least how practitioners and stakeholders navigate the plurality in their daily professional lives. In terms of future, the study has revealed the views of practitioners and stakeholders on the prospect of harmonising and unifying sustainability reporting, their perspectives on the regulation of the field, and their anticipations for its future. Through a closer inspection of these various findings, the study has identified five logics that operate and interplay in the field of sustainability reporting in Finland: a business logic, a profession logic, a compliance logic, an accountability logic, and a sustainability logic. These logics help explain not only how the plurality of sustainability reporting arises, but also how practitioners and stakeholders navigate it.

By disclosing the logics underlying sustainability reporting and the plurality thereof, the study has illuminated the needs that practitioners and stakeholders therein have in practice and not only in theory. Furthermore, the study’s systematic approach to different levels of analysis has demonstrated how logics can operate in different ways on individual, organisational, industry, and society levels. These various insights give sustainability reporting managers, consultants, NGOs, investors, bankers, and other practitioners and stakeholders a better understanding of each other’s needs and enable them to better prepare for the future in unison. The insights also point to issues in need of further academic scrutiny, and can inform regulators and standard setters in their efforts to improve sustainability reporting. In the latter regard, the findings of this study are particularly relevant in relation to the topical issue of EU regulation which will gradually enter into force from the end of 2022 and establish clearer and stricter ground rules for sustainability reporting in Europe (notably CSDD, CSRD, and ESRS). The study has portrayed the attitudes and expectations of practitioners and stakeholders towards this regulation, and also identified three potential scenarios for what effects the regulation will ultimately have on the plurality of sustainability reporting. Time will now tell which scenario comes true.
REFERENCES


KPMG (2020). The time has come: The KPMG survey of sustainability reporting 2020. KPMG.


APPENDIX 1     INTERVIEW GUIDE

Background information
- How do you work with sustainability reporting in your current position?
- Why do you think organisations engage in sustainability reporting?
- How has sustainability reporting evolved in the course of your career?

Current state of sustainability reporting and the plurality thereof
- How would you describe the current state of sustainability reporting?
  o Practitioners and stakeholders?
  o Tools and practices?
- What kind of diversity/plurality do you see in sustainability reporting?
  o Differences in practices?
  o Selection/assortment of frameworks, ratings, and assurance?
  o Voluntary initiatives and mandatory requirements?
- Why and how do you believe plurality in sustainability reporting arises?
  o Internal and external motivations?
  o Differences in attitudes among different practitioners and stakeholders?
- What challenges do you think plurality in sustainability reporting present?
  o For different practitioners and stakeholders?
  o For society at large?
- What benefits do you think plurality in sustainability reporting present?
  o For different practitioners and stakeholders?
  o For society at large?
- How to practitioners navigate the plurality of sustainability reporting in practice?
  o Selection of sustainability reporting provision?
  o Selection of sustainability rating/score?
  o Selection of sustainability reporting assurance provider?
  o Selection of multiple SRTs?

Future of sustainability reporting and the plurality thereof
- What is your opinion as to the current state of sustainability reporting?
  o Direction of the development of sustainability reporting?
  o Ability to influence the development of sustainability reporting?
- What is your view on the harmonisation/unification of sustainability reporting?
  o Awareness of harmonisation/unification/standardisation efforts?
  o Prospects and outcomes of harmonisation/unification/standardisation?
APPENDIX 2    INTERVIEW CONSENT

All the practitioners and stakeholders interviewed for this study have read and consented to having their personal data processed in accordance with the consent form in this appendix. The consent form was provided by Hanken School of Economics and has been adapted specifically to the research of this study.

“I, [INTERVIEWEE], hereby give my consent to processing my personal data, as obtained from the interview conducted with me on [DATE] 2022, for the purpose of scientific research.

My personal data will be processed securely according to the data protection policy and ethical guidelines of Hanken School of Economics. The legal ground for processing my data is my consent and the Finnish Data Protection Act.

Moreover, I understand and consent to that

1. data that directly identifies me personally will not be visible in any results or publications based on the data;

2. such part of the data that directly identifies me personally (e.g. name, e-mail address, employer, etc.) will be erased within four weeks of my response, before any analysis of the data is conducted;

3. data that do not directly identify me personally (e.g. answers to interview questions without identifying information) will be stored for six months for the purpose of conducting scientific research analyses;

4. up until four weeks after my response, I can withdraw my consent and have the research team erase my personal data, or request the research team to show, disclose, or correct my data;

5. after the period of four weeks after my response, I will not be able to ask the research team to show, correct, or erase my personal data, or withdraw my consent to participate in the research. This is because after the research team has erased the data variables that directly identify me personally, they cannot identify and extract my data from the overall dataset anymore;

6. as an exception to 2) above, such verbal/textual descriptions which I give as responses in this study (e.g., by typing in, or speaking on audio-recording) and in which I may myself express my name or other information that may directly
identify myself, will not be erased from the collected data after the period of four weeks after my response. However, these data will also not be visible in any results or publications based on the data;

7. as an exception to 2), such part of the data that directly identifies an organization I may work for or represent (e.g. an organization’s name) will not be erased after the period of four weeks after my response. However, these data will also not be visible in any results or publications based on the data.

Your contact information was received for this study from [NAME OF THE PERSON WHO PROVIDED THE CONTACT INFORMATION OF THE INTERVIEWEE].

A description record of the data processing activities of this research is available on request from [E-MAIL OF AUTHOR]. If you have further questions regarding the research or if you want that your personal data are to be erased or corrected, please also contact [E-MAIL OF AUTHOR]. If you have complaints or other questions related to the processing of your personal data for this purpose, contact the data processing officer of Hanken School of Economics, dpo@hanken.fi.”
APPENDIX 3  INTERVIEW SAMPLE

The table in this appendix shows information about the interviewees and the interviews conducted for this study. The identifiers in the first column are used for identifying the interviewees throughout the chapters of the study. The types of stakeholder in the table follow Hess’ (2014) typology thereof (see Section 2.1.2). All the interviews were conducted online through the communication platform Teams (see Section 3.2).

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All the organisations represented by the interviewees except two – CERT and CONS-2 – were founded in Finland and continue to have their main operations in Finland. By contrast, CERT and CONS-2 both represent large multinational organisations though both interviewees are Finnish and work in the Finnish divisions of the respective organisations.
## APPENDIX 4  SUSTAINABILITY REPORTING TOOLS

The tables in this appendix show which SRTs the practitioners and stakeholders interviewed for this study explicitly brought up and discussed during their respective interviews. The SRTs are listed alphabetically according to type (provision, rating, assurance).

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</tbody>
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<table>
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<tr>
<th>Assurance</th>
<th>Description</th>
<th>CORP-1</th>
<th>CORP-2</th>
<th>BANK</th>
<th>CERT</th>
<th>ASSOC</th>
<th>CONS-1</th>
<th>CONS-2</th>
<th>THINK</th>
<th>NP-NGO</th>
<th>INV-1</th>
<th>INV-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA1000AS</td>
<td>AccountAbility 1000 assurance standard</td>
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</table>
APPENDIX 5  IDEAL TYPES OF INSTITUTIONAL ORDERS

The table in this appendix comes from Thornton et al. (2012). For the logics of sustainability reporting identified in the present study, see Table 8 on page 53.

<table>
<thead>
<tr>
<th>Element</th>
<th>Family</th>
<th>Community</th>
<th>Religion</th>
<th>State</th>
<th>Market</th>
<th>Profession</th>
<th>Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Root metaphor</strong></td>
<td>Family as firm</td>
<td>Common boundary</td>
<td>Temple as bank</td>
<td>State as redistribution mechanism</td>
<td>Transaction</td>
<td>Profession as relational network</td>
<td>Corporation as hierarchy</td>
</tr>
<tr>
<td><strong>Sources of legitimacy</strong></td>
<td>Unconditional loyalty</td>
<td>Unity of will, belief in trust and reciprocity</td>
<td>Importance of faith and sacredness in economy and society</td>
<td>Democratic participation</td>
<td>Share price</td>
<td>Personal expertise</td>
<td>Market position of firm</td>
</tr>
<tr>
<td><strong>Sources of authority</strong></td>
<td>Patriarchal domination</td>
<td>Commitment to community values and ideology</td>
<td>Priesthood charisma</td>
<td>Bureaucratic domination</td>
<td>Shareholder activism</td>
<td>Professional association</td>
<td>Board of directors, top management</td>
</tr>
<tr>
<td><strong>Sources of identity</strong></td>
<td>Family reputation</td>
<td>Emotional connection, ego-satisfaction and reputation</td>
<td>Association with deities</td>
<td>Social and economic class</td>
<td>Faceless</td>
<td>Association with quality of craft, personal reputation</td>
<td>Bureaucratic roles</td>
</tr>
<tr>
<td><strong>Basis of norms</strong></td>
<td>Membership in household</td>
<td>Group membership</td>
<td>Membership in congregation</td>
<td>Citizenship in nation</td>
<td>Self-interest</td>
<td>Membership in guild and association</td>
<td>Employment in firm</td>
</tr>
<tr>
<td><strong>Basis of attention</strong></td>
<td>Status in household</td>
<td>Personal investment in group</td>
<td>Relation to supernatural</td>
<td>Status of interest group</td>
<td>Status in market</td>
<td>Status in profession</td>
<td>Status in hierarchy</td>
</tr>
<tr>
<td><strong>Basis of strategy</strong></td>
<td>Increase family honour</td>
<td>Increase status and honour of members and practices</td>
<td>Increase religious symbolism of natural events</td>
<td>Increase community good</td>
<td>Increase efficiency profit</td>
<td>Increase personal reputation</td>
<td>Increase size and diversification and firm</td>
</tr>
<tr>
<td><strong>Informal control mechanisms</strong></td>
<td>Family politics</td>
<td>Visibility of actions</td>
<td>Worship of calling</td>
<td>Backroom politics</td>
<td>Industry analysts</td>
<td>Celebrity professionals</td>
<td>Organisation culture</td>
</tr>
<tr>
<td><strong>Economic system</strong></td>
<td>Family capitalism</td>
<td>Cooperative capitalism</td>
<td>Occidental capitalism</td>
<td>Welfare capitalism</td>
<td>Market capitalism</td>
<td>Personal capitalism</td>
<td>Managerial capitalism</td>
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</tbody>
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