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Analysis of the Relationship between Accounting and Sustainable Development.

The Role of Accounting and Accounting Profession on Sustainable Development

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Abstract

Since the publication of the Brundtland Report (WCED, 1987), the literature in the field of accounting engaged in covering the need for research on sustainable development through several approaches. The paper aims to present the current context of sustainable development worldwide, as well as to conduct a qualitative analysis of the efforts made by standard-setting bodies, representatives of accounting profession and professionals in the field, based on the public reports prepared and the studies conducted by the latter on sustainable development, with the purpose of emphasizing the influence of accounting and accounting profession on sustainable development. This research paper contributes to enriching literature in the field of accounting for sustainable development, by highlighting the important role of accounting, as well as the initiatives undertaken by stakeholders in this area to meet the 2030 Agenda for a better world (UN, 2015).

Keywords: *sustainable development, accounting, Sustainable Development Goals (SDG), accounting profession, non-financial reporting*

JEL Classification: *M40, M41, Q56*

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Introduction

Sustainable development implies the need to make changes to accounting with the aim of meeting users' needs for financial-accounting information (Dumitrana *et al.*, 2009). Although the concept of sustainable development is becoming more and more widespread in the accounting and management literature, there is a need to clarify what this concept refers to in the different contexts in which it is used (Godemann *et al.*, 2014). Particularly, researchers are concerned about the fact that sustainable development could remain only a matter of interest for empirical research in the field of accounting and finance, rather than a distinct and coherent research area. This concern comes as a consequence of the fact that, apart from the repeated presentation of the definition given in the Brundtland Report (WCED, 1987), many of the studies neglect the complexity of the issues that sustainable development implies (Bebbington and Thompson, 2013, cited by Bebbington and Unerman, 2018).

The 17 sustainable development goals proposed by UN (SDG) aim to promote activities and actions in areas of critical importance to humanity and the planet (UN, 2015; Bebbington and Unerman, 2018). Representatives of the accounting profession are among those who have enthusiastically embraced the SDGs, understanding the role played by accountants and accounting in meeting these goals. Although in the academic environment, research based on the subject of SDGs is developing more and more in various disciplines, particularly in business and management, examining the implications and the potential of SDGs is at an early stage from the perspective of accounting literature (Bebbington and Unerman, 2018).

The study conducted by PricewaterhouseCoopers (PwC) in 2015 on the basis of a questionnaire applied between June and July 2015, which received responses from 986 companies and 2,015 stakeholders, shows a high level of awareness of SDGs in the business community, and highlights the opportunity to turn this awareness into actions aimed to achieving these goals. For the same PwC research, Peter Bakker, president and CEO of the World Business Council for Sustainable Development (WBCSD), states that the UN post-2015 agenda consists in a historical opportunity for companies to engage in exerting a strong and positive influence on society. Moreover, top businesses can generate a major input in achieving SDGs through innovation, investment, a significant customer base and global workforce. SDGs instead can enhance business opportunities for success by improving the business environment and providing inspiration and guidance (PwC, 2015).

The field of sustainable development offers unlimited research opportunities that have not yet been exploited and which require the exploration of various academic disciplines. Accounting practices and accounting professionals are on the edge of many of the above, hence raising the issue of an analysis of their role and impact (Bebbington *et al*., 2017).

At the same time, studies indicate that literature is limited in terms of results based on empirical studies proving the existence of a direct causal link between accounting and economic development (Venter *et al*., 2018; Bebbington and Unerman, 2018). Furthermore, the International Federation of Accountants (IFAC) highlights the contribution of accounting and accounting profession in meeting at least 8 of the 17 UN goals (including quality education, gender equality, working conditions and economic growth, industry, innovation and infrastructure, responsible consumption of resources etc.). The objective of our research consists in addressing the need to determine to what extent accounting influences the current trend characterized by concerted efforts made at an international level to ensure economic sustainability. To this respect, the paper aims to present the current context of sustainable development worldwide, as well as to conduct a qualitative analysis of the efforts made by standard-setting bodies, representatives of accounting profession and professionals in the field, based on the public reports prepared and the studies conducted by the latter on sustainable development.

The paper further highlights the current international context regarding sustainable development (definition of the concept, main stages of development and presentation of goals for sustainable development, progress of the regulatory process for sustainability reporting and the role of capital markets in the field of sustainability), qualitative analysis on the contribution of accounting and accounting profession to sustainable development with an emphasis on the influence of accounting regulatory bodies on sustainability, as well as the role of accounting as a tool for assessing sustainability, ending with research findings.

1. The current international background of sustainable development

1.1. Defining the concept of sustainable development

The current international background is characterized by the focus on sustainable development, manifested through the joint efforts of the world organizations and institutions working towards global sustainability. In this regard, an important first step that is to be mentioned consists in the release of the World Commission on Environment and Development (WCED) report, titled "Our Common Future" and also known as the Brundtland Report, which defines the concept of sustainable development and draws the guidelines for the actions aimed to improve living conditions worldwide. Sustainable development represents the type of development that meets present needs without compromising the ability of future generations to meet their own needs. According to WCED, this concept is based on two key elements: the idea of necessity, with particular reference to the basic needs of the poor populations, which benefit from priority attention, as well as the idea of limitation, imposed by the state of technology and social organization, closely linked to environment's capacity to meet present and future needs (WCED, 1987).

Essentially, sustainable development is a process of change through which resource exploitation, investment direction, technological development orientation, and institutional changes are in harmony and lead to the enhancement of the potential to meet present and future human needs and aspirations. In this respect, the international economy plays an important role, and major changes are needed at the level of international economic relations in order to ensure sustainability. At the same time, WCED mentions two conditions that must be met in order to consider international economic exchanges beneficial for all parties involved. A first condition is to ensure the sustainability of the ecosystems on which the global economy depends, and the second condition is to ensure fair exchanges between economic partners.

Regarding the concept of sustainable development from an accounting perspective, in 1989 the World Bank (WB) draws attention to the need to develop a complex system of national accounts (System of National Accounts – SNA), in order to capture and highlight the impact of environmental and natural resources on income and asset variation. The main argument for the development of such a system is determined by the fact that Gross Domestic Product (GDP) does not adequately assess actual sustainable incomes, due to two shortcomings it implies. The two deficiencies relate to the treatment of environmental protection costs and the consumption of natural resources, not included in the calculation of GDP (WB, 1989). In this context, the concept of environmental accounting is being developed, a conceptual framework of environmental accounts being drawn up and proposed with the aim to be included in the system of national accounts for the reliable and accurate assessment of the influence of natural resources on sustainable incomes.

In order to meet the above-mentioned needs to achieve a real indicator of social welfare beyond GDP, the United Nations (UN) proposes an evaluation method based on the Inclusive Wealth Index (IWI), which involves the inclusion of three capital categories: productive, human and natural (United Nations Inclusive Wealth Report, 2018). The UN also develops a set of 17 Sustainable Development Goals (SDGs) to address current global challenges such as poverty, inequality, climate change, environmental degradation, prosperity, peace and justice, with deadline by 2030.

An alternative to IWI and GDP is represented by the Inclusive Development Index (IDI), developed by the World Economic Forum (WEF), which includes in the form of key performance indicators the main criteria based on which economic progress is assessed (WEF, 2018).

Although the various wealth assessment models (IDI, IWI etc.) have been examined comparatively from the perspective of their inherent advantages and limitations, no empirical research reflecting the impact of these models has been conducted so far (Engelbrecht, 2016). Engelbrecht (2016) presents the results of a comparative analysis between OECD countries and non-OECD countries, highlighting that alternatives for estimating wealth for the first category are complementary, but for countries outside the OECD, data are less relevant. Thus, such results must be interpreted with caution, since no method is an absolute measure of economic sustainability, but a combination of different indices may lead to a method for an exhaustive evaluation of sustainable development.

1.2. The main stages of the Sustainable Development Goals (SDGs) development

The development of sustainable development goals was based on the involvement, for several decades, of participating countries and the United Nations (UN), including the UN Department of Economic and Social Affairs.

Since the United Nations Conference on the Human Environment held in Stockholm in 1972, the spread of governance for sustainable development has increased significantly at local, national, regional and international levels. The need to integrate economic development, natural resource management, security and social equity was first formulated in the Brundtland Report of 1987 (Our Common Future) and constituted the key decision-making role of the UN Conference on Environment and Development (UNCED), organized in 1992 and also known as the Earth Summit or the Rio Summit. At this event, more than 178 countries have adopted Agenda 21, a detailed action plan aimed to create a global partnership for sustainable development with the role of improving living standards and protecting the environment. In 1993, the UN General Assembly established the Commission on Sustainable Development (CSD), representing a high-level political body charged with monitoring and promoting the implementation of the Rio Summit results, including Agenda 21.

In 2002, at the World Summit on Sustainable Development, the three dimensions of sustainable development were exposed for dissemination by including them in development policies for all levels through the adoption of the Johannesburg Plan of Implementation (JPOI). Therefore, the commitment of the global community to eradicating poverty and assuring environmental protection has been reaffirmed, focusing especially on multilateral partnerships.

Following the Rio+20 Conference held in 2012, the international community has decided to set up a High-Level Political Forum on Sustainable Development (HLPF) to replace the Commission on Sustainable Development. At the same time, the member countries have agreed to start a process of developing a set of Sustainable Development Goals (SDGs), to be established based on the Millennium Development Goals (MDGs). SDGs have replaced the MDGs in the Millennium Declaration adopted by the UN in September 2000. UN member states, including Romania, reunited in 2000 around a commitment to reduce global poverty and save millions of lives. During the period 2000-2015, the Millennium Declaration consisted in the only global agenda for development subjected to high-level agreement, and which included the following precise targets:

- Reduce extreme poverty and hunger;
- Ensure universal access to primary education;
- Promote gender equality and women empowerment;
- Reduce infant mortality;
- Improve maternal health;
- Mitigate HIV/AIDS, malaria and other diseases;
- Ensure environmental sustainability;
- Create a global partnership for development.

The process leading to the development of the post-2015 agenda for sustainability was controlled by the involved Member States with the participation of major interest groups, as well as other civil society stakeholders. On September 25, 2015, the UN General Assembly formally adopted the 2030 Agenda for Sustainable Development together with the set of 17 sustainable development goals and 169 associated objectives (UN, 2015).

At present, the High-Level Political Forum (HLPF), which is organized annually, serves as the central platform of the UN for tracking results and reviewing the 17 SDGs. Furthermore, the Division for Sustainable Development Goals (DSDG) of the United Nations Department of Economic and Social Affairs (UNDESA) provides substantial support in consolidating the capacity to achieve the SDGs. At the same time, DSDG plays a key role in assessing the global implementation of the UN 2030 Agenda. In this respect, the need for a firm commitment of all stakeholders to implement global targets is being highlighted, and DSDG aims to facilitate such commitment.

Figure no. 1 schematically illustrates the stages of the sustainable development goals implementation.

Figure no. 1. Stages of the development and implementation of sustainable development goals

Source: Author processing based on the SDG Knowledge Platform (2019)

1.3. Presenting the Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development (UN, 2015) adopted by all UN member states in 2015 is a global action program in the field of universal development and promotes the balance between the three dimensions of sustainable development - economic, social, and environmental. The proposed actions are equally aimed at both developed and developing countries.

At the heart of the 2030 Agenda the 17 sustainable development goals are found, which are disclosed in *Figure no. 2* and which outline ambitious action steps for the next 15 years aimed to eradicate extreme poverty, combat inequalities and injustice and protect the planet by 2030.

Figure no. 2. Sustainable Development Goals (SDGs)

Source: Author processing based on the SDG Knowledge Platform (2019)

According to the PwC study (2018), SDGs can be a driving force in helping organizations to identify significant risks and opportunities, to build business models adaptable to unfavorable conditions, and implement effective strategies for economic growth, but all these goals will only happen if each part of the organization contributes to their achievement.

At present, many key global bodies such as regulatory bodies, organizations and industry representatives are working together to create a consistent set of indicators that are necessary to entities for assessing performance in achieving the SDGs. Such a set of performance indicators would be a key step, especially if the indicators could be expressed in monetary terms, allowing for comparability and a better understanding of the contribution of enterprises to the achievement of SDGs. Also, current international trends highlight an increase in the credibility of reporting through obtaining third-party external assurance. WBCSD and PwC (2018) emphasize the distinction between the different levels of assurance, the main delimitation being made between reasonable assurance and limited assurance, as shown in **Table no. 1**.

Table no. 1. Comparison of reporting levels

Reasonable assurance	Limited assurance
Specific to the audit of financial statements.	Assurance level lower than that provided by the audit - procedures usually involve investigation and analysis.
Provides an opinion on the extent to which financial statements disclose a true and fair view, in all relevant aspects, in accordance with the applicable regulations.	Provides an affirmation of the fact that no significant evidence has been identified indicating that the information submitted is not prepared in accordance with the applicable regulatory framework.

Source: Author processing based on WBCSD and PwC (2018)

Investors requesting non-financial reporting prefer the level of assurance provided to be reasonable, underlining the increasing importance of non-financial reporting in the decision-making process (WBCSD and PwC, 2018). However, the most frequently encountered level of assurance provided for non-financial reporting is the limited assurance. The research results showed that out of a total of 158 sustainability reports, 60% had a limited level of assurance, 13% presented a mixture of the two levels of assurance, 6% provided a reasonable level of assurance, and for 22% of the reports that were subject of the research companies did not request any assurance from an external supplier (WBCSD, 2018).

The main directions of the action plan for the use of SDGs for the development of sustainable business, according to PwC (2018), consist of the following:

- each structure within an organization plays a role in the process of achieving the SDGs - it is not just a matter of CSR;
- leadership involvement is a key aspect – parties occupying key positions in the company must show an active interest in the implementation process;
- establishing meaningful performance indicators to apply the action steps and to report the progress;
- targeting the same level of quality for both financial and non-financial reporting.

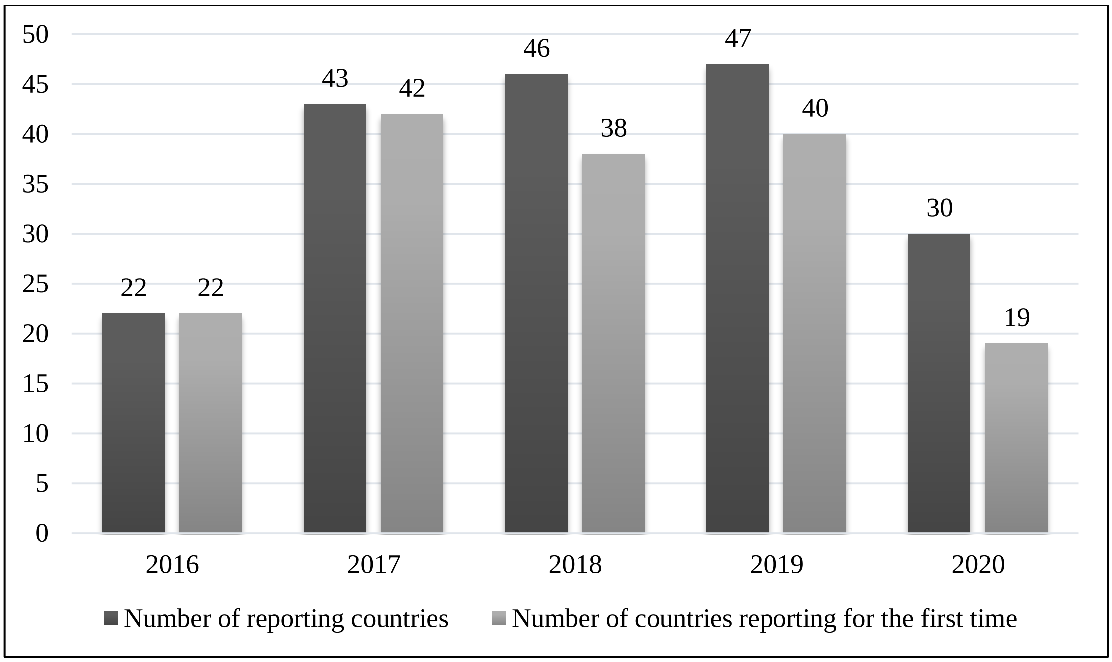
As part of the monitoring and review mechanisms, the 2030 Agenda for sustainable development "encourages Member States to conduct regular and inclusive reviews of progress at the national and subnational levels which are country led and country driven" (UN, 2015, par. 79, p. 38). These national reports are expected to serve as the basis for the periodic reviews of the High Level Policy Forum for Sustainable Development (HLPF). At the same time, periodic reviews "will be voluntary, while encouraging reporting, and include developed and developing countries as well as relevant United Nations entities and other stakeholders, including civil society and the private sector" (UN, 2015, par. 84, p. 38).

Voluntary National Reviews (VNR) are aimed at facilitating the exchange of experiences, including successes, challenges and lessons learned, in order to accelerate the implementation of 2030 Agenda. The VNR also seek to strengthen government policies and institutions, as well as mobilize support and partnerships with stakeholders to implement sustainable development goals.

According to the database of voluntary national reports available on the Sustainable Development Knowledge Platform of the UN, 161 UN member states that joined the Sustainable Development Goals initiative of the 2030 Agenda volunteered to provide national reports on the state of the SDGs' achievement, out of which 26 states are reporting for the second time, and 1 country for the third time.

Regarding the annual progress of the number of countries that voluntarily reported the stage of achievement of SDGs, the chart presented in ***Figure no. 3*** highlights an increase in the number of reporting countries over the period 2016-2019, with a significant decrease in 2020, when the number will drop to 30, of which 19 will be reporting for the first time. Romania is also among the members that chose to provide information on the state of the SDGs' implementation, the first and only reporting year to date being 2018. However, Romania is also not in the list of countries that will present such a report in 2020.

Figure no. 3. The annual evolution of the number of countries that voluntarily reported the stage of achieving SDGs



Source: Own projection

1.4. The evolution of the regulatory process of reporting in the area of sustainability

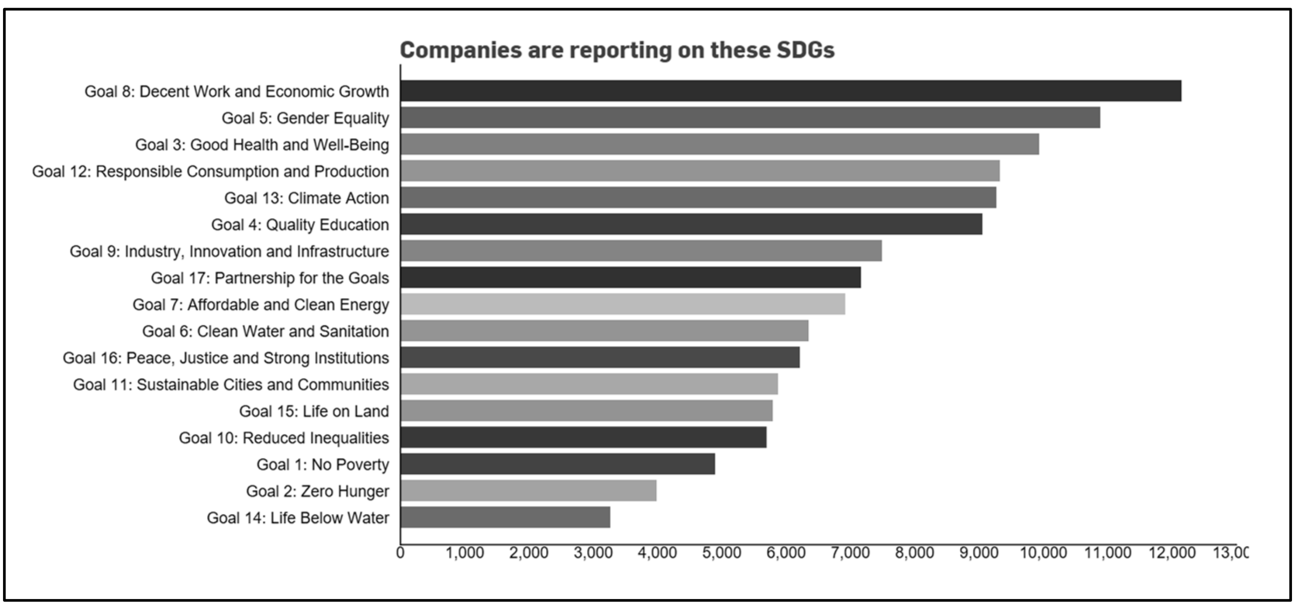
The Financial Times (2019) signals that there are at least 230 initiatives on corporate sustainability standards in over 80 sectors of activity. According to Albu *et al.* (2013), the most commonly used sustainability reporting frameworks are the Global Reporting Initiative (GRI) and the United Nations Global Compact (UNGC), GRI being used mainly by multinational companies and UNGC by small and medium-sized enterprises in view of the fact that the latter is characterized by a more simplistic approach (Albu *et al.*, 2013, according to Wensen *et al.*, 2011). However, the same study indicates that many entities do not use a set of standards or develop their own reporting framework based on existing standards.

At international level, the set of GRI standards for sustainable development are issued Global Sustainability Standards Board (GSSB), within the Global Reporting

Initiative (GRI).The Global Reporting Initiative was set up in 1997 with the aim of developing a conceptual framework for environmental reporting, thus creating an evaluation mechanism to ensure that companies apply the principles of responsible environmental conduct. In October 2016, GRI launches the first set of globally accepted standards for sustainability reporting - GRI Sustainability Reporting Standards, developed by the GSSB - the board that is solely responsible for the development of these standards, being set up as an independent entity under GRI auspices and composed of 15 members with expertise in different areas and multilateral perspectives on sustainability reporting. GRI standards offer companies the opportunity to report for public interest their economic, social and environmental impact, highlighting their contribution to sustainable development. At the same time, GRI standards are a reliable reference for standard-setting bodies and regulatory bodies, with a modular structure that facilitates frequent updating in order to ensure relevancy. From an international perspective, GRI standards are currently mentioned and recommended in the policies of 48 capital markets across 40 countries and regions. In this respect, GRI is collaborating with stock exchanges, providing them with support in the development and implementation of sustainability reporting policies.

The alternative to GRI standards is the United Nations Global Compact (UNGC), which establishes a set of 10 principles to be applied by companies alongside this initiative with the objective of meeting basic responsibilities towards people and the planet. Companies applying UNGC regulations have the obligation to report an annual Communication on Progress (CoP) that highlights how the ten principles have been integrated into the strategy and operational activity of the entity, as well as the efforts made by them in the direction of social and environmental priorities. At present, 13,602 companies from over 160 countries (including 20 Romanian companies) report according to UNGC, as the organization provides an interactive online platform for consulting information about the participants (country, type / size, industry, current status of reporting etc.), as well as information on the SDGs reported within the CoPs. The chart presented in ***Figure no. 4*** was generated on this platform and highlights the number of companies that are reporting activities to achieve the SDGs under UNGC principles. In the top three goals of the reporting companies we can find Goal 8 - Decent Work and Economic Growth with 12,154 companies, Goal 5 - Gender Equality with 10,894 companies and Goal 3 – Good Health and Well-Being, respectively, with 9,940 companies.

Figure 4. Number of companies reporting activities carried out to achieve SDGs



Source: UNGC (2019): https://www.unglobalcompact.org/interactive/sdgs/global

Similar to the international accounting convergence process, when the International Accounting Standards Board (IASB) and the American Financial Accounting Standards Board (FASB) signed the Norwalk agreement (Memorandum of Understanding- MoU), a MoU was signed in 2010 by GRI and UNGC at the third edition of the Global Conference on Sustainability and Transparency that gathered 1,200 participants from 77 countries. According to the agreement, GRI centrally integrates the 10 principles of UNGC into the next reviewed version of the GRI Sustainability Reporting Guidelines, and UNGC adopts the GRI Guidelines as the reporting framework used by companies to develop communications on progress (CoPs).

In view of the rules applicable to the Member States of the European Union, Directive 2014/95/EU amending Directive 2013/34/EU as regards the presentation of non-financial and diversity information by certain enterprises and large groups states, mentions that "the European Parliament acknowledged the importance of businesses divulging information on sustainability such as social and environmental factors, with a view to identifying sustainability risks and increasing investor and consumer trust" (EU, 2014, par. (3), p. 1). Moreover, European regulations recommend the reporting frameworks companies can choose from in order to disclose non-financial information, which include "national frameworks, Union-based frameworks such as the Eco-Management and Audit Scheme (EMAS), or international frameworks such as the United Nations (UN) Global Compact, the Guiding Principles on Business and Human Rights implementing the UN 'Protect, Respect and Remedy' Framework, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the International Organisation for Standardisation's ISO 26000, the International Labour Organisation's Tripartite Declaration of principles concerning multinational enterprises and social policy, the Global Reporting Initiative, or other recognized international frameworks" (EU, 2014, par. (9), p. 2).

Albu *et al.* (2013) investigates the issues of plurality and convergence of sustainability reporting standards, pointing out that regulations in this field are characterized by the existence of different reporting frameworks, resulting in a diversity of reporting practices and, consequently, a low level of comparability. However, by analogy with the convergence of financial reporting standards, a single set of rules for sustainability reporting does not guarantee the improvement of reporting practices and the comparability of the reported non-financial information.

1.5. Role and involvement of capital markets in sustainable development

According to GRI, capital market regulators play a key role in fostering good corporate governance and transparency, requiring listed companies to meet sustainability reporting regulations. Both companies and investors need greater awareness and better guidance on how to use sustainability reporting frameworks effectively. Since GRI standards are the common language for reporting on sustainable development, 40 countries and regions refer to GRI standards in their listing requirements or reporting guidelines.

In 2009, the UN is launching the Sustainable Stock Exchanges Initiative (SSE), which invites partner stock exchanges around the world to join the initiative by signing a public voluntary agreement. SSE focuses on three interdependent pillars of activity: research, consolidation of the agreement and technical assistance, performing its activity in the field of collaboration and partnership to achieve a significant level of impact. SSE aims at including representatives of all stakeholders in the capital markets in all its business flows and benefits from a network of stock exchanges, capital market regulators, investors, companies and other experts who periodically communicate with the SSE.

Like many UN initiatives, the activity of SSE also takes into account the sustainable development goals (SDGs). Among them, SSE focuses on four SDGs of significant value for the stock exchanges, while contributing to a fifth goal, SDG 17 Partnership for goals, as an adjacent topic. Therefore, SSE organizes its activity around the following key topics: SDG 5 Gender equality, SDG 8 Decent work and economic growth, SDG 12 Responsible consumption and production and SDG 13 Climate action.

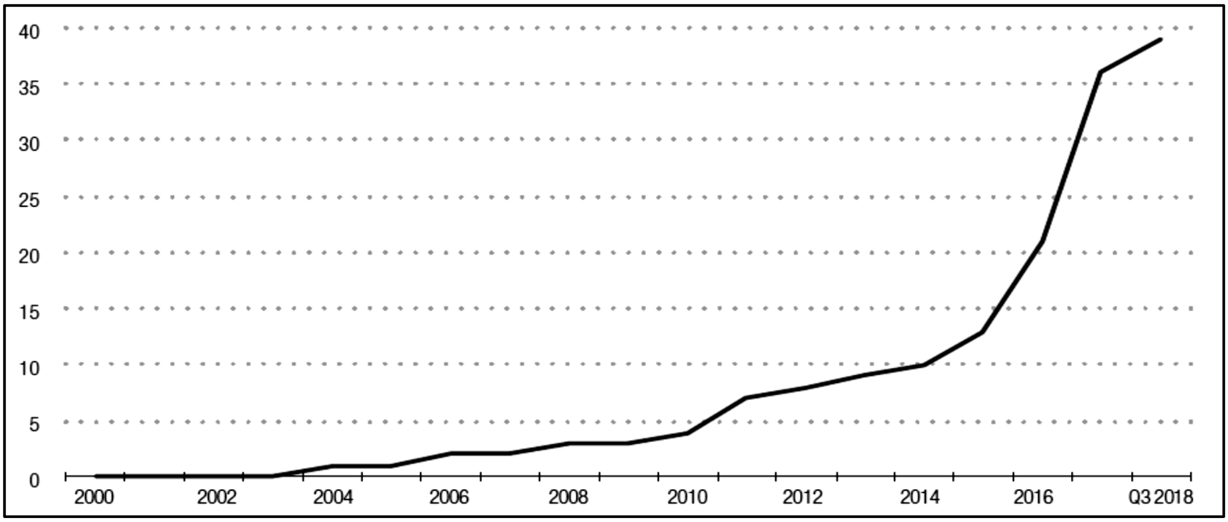
The Sustainable Stock Exchanges Initiative regroups a number of 90 partner stock exchanges, including the Bucharest Stock Exchange, with a total of 51,073 listed companies, thus being characterized by a significant level of international coverage, as showed by ***Figure no. 5***.

Figure no. 5. SSE coverage on an international level through partner stock exchanges

Source: SSE (2019), https://sseinitiative.org/sse-partner-exchanges/list-of-partner-exchanges/

According to the SSE progress report for 2018 (SSE, 2018), capital markets play an important role in helping companies find a balance between sustainability reporting and management requirements. At the end of Q3, 2018, the number of stock exchanges providing written guidance for sustainable development reporting reached 39, compared to only 13 in 2015 (see ***Figure no. 6***).

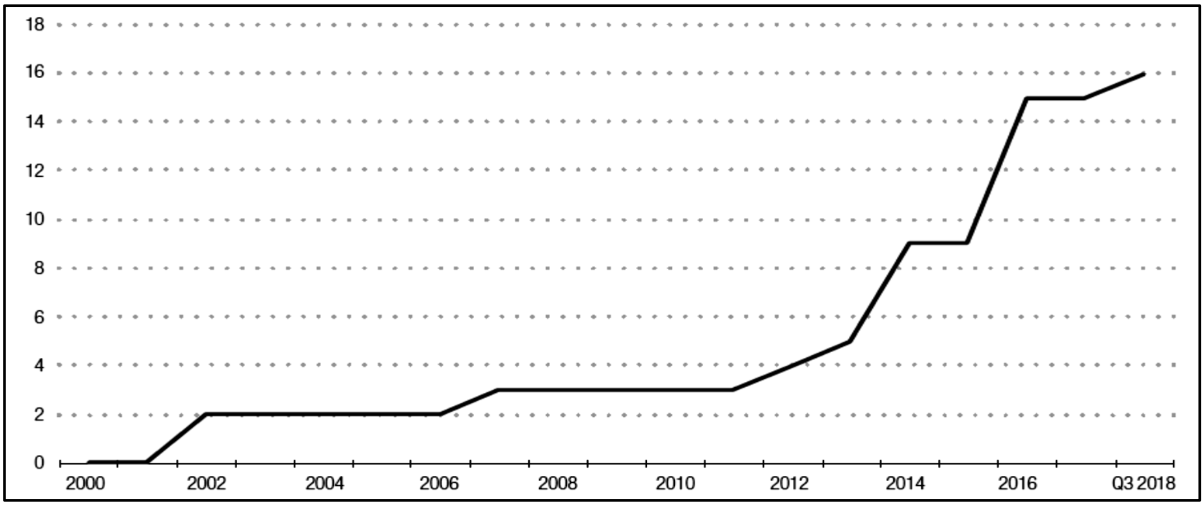
Figure no. 6. Evolution of the number of stock exchanges providing written guidance on sustainability reporting



Source: SSE (2018), p. 16

Also, according to the same report, at the end of Q3, 2018 a number of 16 capital markets on 4 continents mandatory require listed companies to submit reports on sustainability (8 in Asia, 3 in Africa, 3 in South America and 2 in Europe). ***Figure no.7*** highlights the evolution of the number of capital markets with mandatory reporting requirements in the field of sustainable development since 2002, when Euronext France and the Johannesburg Stock Exchange have adopted this practice.

Figure 7. Evolution of the number of stock exchanges with mandatory reporting requirements in the field of sustainable development



Source: SSE (2018), p. 17

2. Qualitative analysis on the role of accounting and accounting profession on sustainable development

Since the publication of the Brundtland Report (WCED, 1987), the literature in the field of accounting has attempted to cover the need for research on sustainable development through several directions, outlining the following perspectives (Bebbington and Unerman, 2018):

- reviewing the history, possible meanings, implications and expansion of sustainable development;
- the identification of techniques and accounting practices that are or could be used to support sustainable development;
- considering particular aspects of the sustainable development agenda in close connection with accounting;
- exploring the ontological, epistemological and methodological ramifications of the concept of sustainable development.

2.1. Research methodology

In order to determine the contribution of accounting and accounting profession to sustainable development and the achievement of SDGs, a methodological approach based on the qualitative analysis of the efforts made by standard setters, accountants and accounting professionals was applied as follows, based on public reports drawn up and studies conducted on the same topic.

2.2. The influence of accounting regulatory bodies on sustainability

Hans Hoogervorst, the president of IASB, in his speech at the Climate-Related Financial Reporting Conference, held at Cambridge University, United Kingdom on April 2, 2019, mentions two major directions of sustainability initiatives. A primary direction is corporate social responsibility reporting (CSR), focused on promoting behavioural change, asking companies to provide information on their contribution to a "better world" by engaging them in environmental sustainability activities. This direction is oriented towards the common good and considers society to be the general public of this type of reporting. However, there is also a sustainability reporting perspective that is gaining importance, which focuses more on the impact of sustainability issues on the company itself, rather than on the public good. This bottom line aims to provide investors information on how sustainability issues could impact the company's future financial performance.

Regarding the role played by the IASB and the link between sustainability reporting and financial reporting, Hans Hoogervorst states: "I do not think the IASB is equipped to enter the field of sustainability reporting directly. Setting sustainability reporting standards requires expertise that we simply do not have. Moreover, there are already more than enough standard-setters active in this field" (Hoogervorst, 2019). Although classical financial reporting remains the cornerstone of the IASB, the body recognizes its limitations, particularly as financial statements reveal a small amount of forward-looking information on emerging sustainability issues. In this context, the IASB meets the needs of investors by publishing in 2010 the Management Commentary Practice Statement, an optional guide that includes a set of good practices and guidance on how to draft the first component of the annual financial reports. This good practice guide to preparing management reports has the role of supporting management in providing an extensive picture of the financial statements.

In 2011, the Sustainability Accounting Standards Board (SASB) is being set up to develop and disseminate sustainability accounting standards, the application of which enables companies across the world to identify, manage and provide investors with sustainability information significant from a financial perspective. Thus, the SASB has developed a complete set of 77 industry-specific standards, published in November 2018, identifying and providing the minimum set of specific sustainability elements with increased materiality from the financial point of view, as well as accounting metrics that are to be used in assessing these elements and to be computed by entities operating in a particular industry. At the same time, SASB provides a database of reports submitted by more than 4,000 companies applying SASB standards.

It is important to note that with regard to the analysis of the influence exerted on sustainability reporting by accounting standard setters and the accounting profession, their representation in the SASB councils is significant. Thus, out of the total of 19 members of the SASB Foundation's Board of Directors - responsible for financing, supervision, management and appointment of SASB members - 2 members (including the Vice President of the Board) are Deloitte partners, 1 member is PwC partner, and one member was president of the FASB in 2002-2010, a member of the IASB and PwC partner. At the same time, the current SASB president holds a PhD in Accounting, being also an accountant professor, as well as a FASB fellow researcher. Another member of the SASB, out of a total of 9, is an Ernst&Young partner.

SASB's use of accounting techniques to build sustainability performance indicators signals the role of accounting as a tool for measuring and quantifying sustainable development and achieving the SDGs.

2.3. The role of accounting and the accounting profession in terms of sustainable development

Following the formal adoption of the SDGs at the UN summit in 2015 and their entry into force as of January 2016, the International Federation of Accountants (IFAC) identified 8 goals to which the accountancy profession and professionals working in this field can bring a significant contribution in the context of the new global sustainable development agenda. IFAC's first step towards discovering the role of the accounting profession in achieving the SDGs was to organize working sessions at two meetings held in 2016, in order to discuss how the international accounting profession can contribute to the success of SDGs and what is the significance of SDGs for professional accountants, especially those involved in helping companies understand their contribution to the global sustainable development agenda (IFAC, 2016).

Following the meetings and discussions, IFAC's 2030 Agenda is published, outlining the debates that have taken place, the resulting agreement, the issues under clarification, and the path to be followed by all professionals concerned to promote commitment to the SDGs for the benefit of the society and the sustainability of their own companies. In the same IFAC report, Charles Tilley, president of IFAC Professional Accountants in Business Committee, states that IFAC and its member organizations, with about 3 million accountants around the world, must consider their mission, strategies and plans in the context of SDGs. As members of the profession "we need to reflect, and articulate, how we contribute to the achievement of SDGs and the benefits they bring to society" (IFAC, 2016, p. 3). On the same topic, IFAC's chief financial officer, Fayez Choudhury, states that precisely because the body collects 3 million professionals, "the skillset, experience, and influence professional accountants possess gives them enormous scope to shape solutions to sustainable development challenges" (Wilson, 2017, p. 41, cited by Bebbington and Unerman, 2018, p. 11). Once the accounting profession identifies its role, the academic environment in the accounting field has the opportunity to help ensure that SDG interventions in accounting are advancing the achievement of SDGs (Bebbington and Unerman, 2018).

Table no. 2 includes the centralization of the main SDGs and the adjacent objectives to which IFAC considers that the accounting profession can make a contribution to and outlines both the key issues to be addressed and the number of actions or initiatives undertaken internationally by various stakeholders in the field of accounting.

Table no. 2. Examination of the SDGs that the accounting profession can influence according to IFAC

Main SDG	Adjacent goals	Number of initiatives or actions taken
SDG 4: Quality education	SDG 4.3: Ensuring access for all women and all men equally to affordable and quality technical, vocational, and tertiary education, including university; SDG 4.6: Ensure that all young people, as well as a substantial proportion of adults (both men and women), reach an appropriate level of literacy.	9
SDG 5: Gender equality	SDG 5.5: Ensure full and effective participation of women in leadership positions as well as equal opportunities for all levels of decision-making in political, economic and public life.	8

Main SDG	Adjacent goals	Number of initiatives or actions taken
SDG 8: Decent work and economic growth	SDG 8.1: Supporting per capita economic growth in line with national standards and, in particular, an increase of at least 7% of GDP per year in the least developed countries; SDG 8.3: Promoting development-oriented policies to support productive activities, creating decent jobs, entrepreneurship, creativity and innovation, and encouraging the formation and growth of micro, small and medium-sized enterprises, including through access to financial services.	4
SDG 9: Industry, innovation and infrastructure	SDG 9.4: Upgrading infrastructure and industries to enhance their sustainability through increased resource use efficiency and the widespread adoption of clean and environmentally friendly technologies and industrial processes; SDG 9.5a: Facilitating the sustainable and adaptable development of infrastructure in developing countries through financial, technological and technical support to African, least developed, landlocked, and small island developing countries.	4
SDG 12: Responsible consumption and production	SDG 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle.	4
SDG 13: Climate action	SDG 13.1: Increase resilience and adaptability to natural disasters across countries; SDG 13.2: Integrate measures to assess the effects of climate change into national policies, strategies and plans; SDG 13.3: Improving the quality of education, awareness, and human and institutional capacities to mitigate climate change, adaptation, and early warning.	4
SDG 16: Peace, justice and strong institutions	SDG 16.5: Substantially reduce corruption and bribery in all their forms; SDG 16.6: Develop effective, responsible and transparent institutions at all levels.	3
SDG 17: Partnerships to meet the goals	SDG 17.1: Strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection; SDG 17.3: Mobilizing additional financial resources for developing countries, coming from multiple sources; SDG 17.9: Provide additional international support for enhancing the capacity to implement national plans to achieve SDGs; SDG 17.13: Consolidate global macroeconomic stability, including through policy coordination and coherence; SDG 17.14: Strengthen policy coherence for sustainable development; SDG 17.16: Enhance the Global Partnership for Sustainable Development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries.	10
Total main goals: 8	**Total adjacent goals: 19**	**46**

Source: Author processing based on IFAC (2016)

By examining the information disclosed in **Table no. 2**, results show that the representatives of the accounting profession are actively involved and take significant steps to achieve at least 8 SDGs, particularly by focusing on the 19 adjacent objectives. The actions that have been carried out so far include, in particular, the assurance of quality education (9 actions for SDG 4), gender equality (8 actions for SDG 5), and building partnerships to achieve the objectives (10 initiatives for SDG 17).

Conclusions

The field of sustainable development is characterized by a high complexity in terms of implications and issues to be addressed for an exhaustive understanding of the phenomenon, especially as sustainability is targeted and stimulates interest regardless of the area of activity or industry. Therefore, the coverage of all branches and influences related to sustainable development, especially those that intersect with the accounting area, consists in a challenge for researchers, but also for all stakeholders in general. In this context, examining the contribution of accounting to the achievement of UN SDGs within the 2030 Agenda opens new horizons and research directions, among which the development of indicators to measure sustainability performance based on accounting techniques, rediscovery of or refocus on some topics of relevance to sustainability (for example, ecological responsibility, responsibilities of the higher education institutions, economic equity), re-examination of conceptual frameworks (Bebbington and Unerman, 2018).

Results show that taking steps to ensure sustainability for future generations is a necessity and concern for bodies and organizations that exert influence at an international level, and accounting through all its stakeholders – higher education institutions, researchers, accountants, standard setting bodies - can significantly support this goal. In this respect, the paper contributes to enriching literature in the field of accounting for sustainable development, highlighting the important role of accounting, as well as the initiatives undertaken by the stakeholders in this field in order to fulfil the 2030 Agenda for a better world.

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