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Disentangling the concept of comparability in sustainability reporting

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Abstract

Purpose – As the comparability concept has recently garnered increased attention of policymakers and standard setters in the sustainability reporting (SR) arena, this paper aims to provide a reflexive viewpoint of this concept in this context.

Design/methodology/approach – To inform the authors' viewpoint and disentangle the concept of comparability into different facets, the authors review policymakers' and standard setters' (including the Global reporting initiative) comparability principles, as well as relevant studies in the field. To provide insights into the different ways in which the comparability facets can be approached, the authors use multi-perspective reflexive practices and focus on the multiple purposes that reporting can serve. To empirically animate the authors' reflection on the facets, the authors analyse the sustainability disclosures of two Italian banks over three years.

Findings – This study reveals that three facets form valuable starting points for extending the understanding of the meanings the comparability concept can carry in the SR arena. These facets are materiality and comparability, benchmarking/monitoring and comparability and operationalisation and comparability.

Practical implications – This study is intended to elicit policymakers' and standard setters' thoughts on the role of comparability and its complexities in SR.

Social implications – By taking a critical and reflexive approach, the authors encourage policymakers and standard setters to reconsider the comparability principle, so it effectively embeds the accountability purpose of SR.

Originality/value – In this paper, the authors propose three facets for disentangling the concept of comparability.

Keywords Accountability, Comparability, Global reporting initiative, Impact, Materiality, Sustainability reporting

Paper type Viewpoint

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1. Introduction

Sustainability reporting (SR) has spread rapidly among companies over the last 20 years (KPMG, 2020) and has received increased attention from both practitioners and academics. While academics have urged companies to be responsible and accountable for their actions and impacts, practitioners have mainly debated about managerial practices guiding the implementation of SR. Concurrent with the diffusion of these practices, national and international organisations – sustainable business groups, non-governmental organisations (NGOs), industry associations – as well as accountants, consultants and policymakers, have been involved in the development of reporting guidelines, frameworks and standards (hereafter, reporting standards) to support sustainability disclosures (Adams and Abhayawansa, 2022; Giner and Luque-Vílchez, 2022). In this context, the Global reporting initiative (GRI) stands out. The GRI guidelines – whose first version was published in 2000 – have quickly become the *de facto* standard for SR at the global level (Adams and Abhayawansa, 2022; Etzion and Ferraro, 2010; KPMG, 2020). Through the adoption of analogies and similarities with financial reporting (FR), the GRI contributed to the institutionalisation of the SR practice (Etzion and Ferraro, 2010). However, over time, the GRI reduced the extent to which it used this analogy and started to highlight dissimilarities with FR (Etzion and Ferraro, 2010).

Following the recent creation of the International Sustainability Standards Board (ISSB) under the International Financial Reporting Standards (IFRS) Foundation, we seem to enter a phase in which similarities with FR will reclaim a more prominent place (Giner and Luque-Vílchez, 2022). Simultaneously, the European Union (EU) has tasked the European Financial Reporting Advisory Group (EFRAG) to develop the European Sustainability Reporting Standards (ESRS). Both initiatives collaborate with the GRI, albeit to diverging extents. While the GRI can be regarded as a co-constructor of the ESRS (Giner and Luque-Vílchez, 2022), the ISSB and the GRI have reached a memorandum of understanding, which commits both organisations to coordinate their standard-setting activities. As the concept of "comparability" is regarded as an attribute of information quality, not only in FR, but also in SR, all SR standards propose it as a reporting principle (Michelon *et al.*, 2020; Unerman *et al.*, 2018). This principle is also embedded in the drafts published by the EFRAG and the ISSB [European Financial Reporting Advisory Group (EFRAG), 2022; IFRS Foundation, 2022].

In the context of these recent developments, this viewpoint carefully reflects on the comparability concept. Similar to other qualitative reporting characteristics, this concept carries "a broad spectrum of meanings" (Sunder, 2016, p. 314). According to Michelon *et al.* (2020, p. 154), considerations of "what should be reported, why and how" are related to the purpose of reporting; thus, we posit that different reporting purposes may bring along varying viewpoints on comparability. As the purpose of SR may go beyond the valuation purpose mostly assigned to FR, that is, the provision of decision-useful information for financial stakeholders (Michelon *et al.*, 2020), we aim to disentangle the concept of comparability in the SR arena. Studying the concept of comparability through the lenses of different reporting purposes is timely. It may encourage regulatory bodies and standard setters to design SR principles that take into account the information needs of both financial and non-financial stakeholders, including employees, customers, local communities, the media, NGOs, public institutions and many others.

To inform our viewpoint, we follow the approach Abhayawansa's (2022) adopted to write his viewpoint on the concept of materiality. By studying the concept of comparability from the standpoints of different reporting purposes (Gross and Perotti, 2017; Michelon *et al.*, 2020), we disentangle the concept of comparability into three facets and use a multi-perspective approach to reflexivity (Alvesson *et al.*, 2008). To empirically animate the facets, we analyse the SR of two Italian banks over three years (2018, 2019 and 2020). This illustrative material should not be considered empirical evidence but an attempt to animate our reflexive disentangling of the comparability concept with some illustrations. As both banks report in line with the GRI, the GRI standards play a central role in our empirical animation.

The three proposed facets – materiality and comparability (Facet 1), benchmarking/ monitoring and comparability (Facet 2), and operationalisation and comparability (Facet 3) – are not primarily ends in themselves. Rather, our study reveals that they form valuable starting points for extending our understanding of the meanings this concept can carry in the SR arena. In addition, we illustrate that whether and how each facet is approached in reporting standards also depend on the purpose that standard setters assign to SR. Firstly, we explore the consistency in the selection of information by investigating the interplay between the concepts of materiality and comparability, which is connected to the purpose that standard setters and policymakers assign to SR. Next, we disentangle the notions of intra- and inter-firm comparability by investigating different user perspectives on SR and, thus, again, different reporting purposes and needs. Thirdly, we illustrate how the operationalisation of comparability on the GRI topic-specific disclosure level may be driven by various reporting purposes, as well as how these purposes point to different challenges in operationalisation endeavours.

Our reflexive viewpoint supports some colleagues' scepticism regarding the attempt to relocate SR to the "mainstream" FR field (Abela, 2022; Abhayawansa, 2022; Adams and Abhayawansa, 2022; Giner and Luque-Vílchez, 2022; van Bommel *et al.*, 2023). More specifically, by ensuring that our multi-perspective reflexive practices integrate the reporting needs of not only financial stakeholders but also those of economically marginalised, non-managerial stakeholders, we adopt a critical approach (Everett *et al.*, 2015; Gendron, 2018). By embedding a broader set of ideas in the comparability concept, we hope our viewpoint will serve as a valuable starting point to encourage policymakers and standard setters to avoid formulating a narrow definition of the comparability principle, thereby preventing them from ignoring the information needs of stakeholders who are not economically powerful. This perspective aims to contribute to turning SR into a long-term accountability tool that encourages managers to deeply embed sustainability practices in their organisations and guides them in doing so (Everett *et al.*, 2015; Gendron, 2018).

The remainder of this paper is structured as follows. Section 2 explains how this viewpoint has been built. Section 3 reviews the extant literature to offer an understanding of comparability in both FR and SR arenas and to explore the GRI's role in the transition of the comparability principle to the SR arena. Section 4 analyses the three facets that we have distinguished as useful in disentangling the concept of comparability in SR. Section 5 presents the concluding remarks.

2. Method

We follow the approach adopted by Abhayawansa (2022), who examined the definitions and the current and potential applications of the materiality concept in SR by analysing SR standards and relevant academic literature. He identified the socially constructed assumptions underlying different conceptualisations of materiality and studied the social and environmental consequences of those assumptions. As Abhayawansa's investigations considered no group of stakeholders as more privileged than others, his viewpoint can be perceived as an application of critical theory (Everett *et al.*, 2015; Gendron, 2018). This approach significantly overlaps with those used by other authors who wrote critical reflections in the SR field (Adams and Abhayawansa, 2022; Unerman *et al.*, 2018).

Similarly, to inform our viewpoint on comparability, we turn to the FR literature to examine this concept's roots and pay significant attention to the assumptions underlying the conceptualisation of comparability in this field. Next, to understand how this concept has been transposed to the SR arena, we examine the assumptions underlying policymakers' and standard setters' [the EFRAG, the GRI, the ISSB and the Sustainability Accounting Standards Board (SASB)] conceptualisations of comparability. We focus on these policymakers and standard setters because they are major players in this arena and provide some guidance on how comparability should be achieved in practice. Finally, we turn to comparability studies in the SR field to find out which challenges regarding the operationalisation of the comparability concept have already been identified.

Following our analysis, we understand that policymakers' and standard setters' assumptions arise from different reporting purposes (Gross and Perotti, 2017; Michelon *et al.*, 2020). These different purposes serve as sources of inspiration for our multi-perspective reflexive practices (Alvesson *et al.*, 2008). Specifically, we engage in such practices to highlight the tensions and limitations of using a single reporting purpose when developing knowledge on comparability in SR and to open up new ways of thinking about this concept. We, thus, aim to "break the habits of routine thoughts" (Cooper and Burrell, 1988, p. 101) and to propose a different way in which comparability can be understood. This approach enables us to propose three facets that are useful in disentangling the comparability concept and to distinguish alternative viewpoints within these facets. Alvesson *et al.* (2008) label this type of reflexive practices as R-reflexivity because they are aimed at "reconstruction, reframing, reclaiming, and representation" (p. 494). Indeed, our facets could be considered alternative points of departure to improve future research on comparability.

With this viewpoint, we engage in critical multi-perspective reflexive practices (Alvesson *et al.*, 2008), as it does not only consider financial stakeholders' perspectives and needs but also amplifies those of non-financial stakeholders, particularly the ones who are often marginalised because they do not contribute favourably to corporate strategy, such as affected citizens or local communities, (Puriola and Mäkelä, 2019). Hence, as our viewpoint also expresses the information needs of these economically marginalised, non-managerial stakeholders, it can be regarded as an application of critical theory (Abhayawansa, 2022; Alvesson *et al.*, 2008; Everett *et al.*, 2015; Gendron, 2018). By including a broader set of ideas on the comparability concept, we also raise questions that might facilitate social intervention and praxis (Everett *et al.*, 2015).

We empirically animate our viewpoint by scrutinising the SR of CREDEM and BPER (two Italian banks), published in three consecutive years (CREDEM, 2018, 2019, 2020; BPER, 2018, 2019, 2020). In line with the scope of previous studies on comparability in SR (Boiral and Henri, 2017; Parsa *et al.*, 2018; Sherman and Di Guilio, 2010; Venturelli *et al.*, 2020), we have decided to focus on reports in accordance with the GRI [1], as this remains the most dominant framework (Adams and Abhayawansa, 2022; KPMG, 2020) and served as a basis for developing the ESRS guidelines (Giner and Luque-Vílchez, 2022). Furthermore, as this excludes variations in operationalisation that emerge from differences in reporting standards (Sherman and Di Guilio, 2010), it eases our analysis of the more technical aspects (Facet 3). We have decided to focus on the financial sector in Italy for two reasons. Firstly, while previous comparability studies (Boiral and Henri, 2017; Sherman and Di Guilio, 2010) in the SR arena have paid attention to sectors with high direct environmental impacts (e.g. the oil and gas, chemical or mining sectors), we want to enhance our understanding of the extent to which the complexities of comparability surface in a sector with smaller direct environmental impacts but significant indirect ones (O'Sullivan and O'Dwyer, 2015).

Secondly, as the two banks only operate in Italy, the political and economic factors are similar and, thus, do not further increase the empirical animation's complexity (Venturelli *et al.*, 2020). Both entities represent large Italian banking groups, which – starting from 2018 – have had to disclose information according to the Non-Financial Reporting Directive (NFRD) requirements. Using three consecutive years allows us to investigate all the different facets of comparability in SR because the COVID-19 crisis challenges intra-firm comparability over the last two years. We not only analyse the content of their management approach (MA) disclosures and their topic-specific disclosures but also conduct a textual analysis, where the text cross-referenced in the index table is compared to the GRI requirements for each topic-specific disclosure (Parsa *et al.*, 2018). In addition, we conduct a textual analysis to find instances of benchmarking and intra-firm comparability (Facet 2). The empirical material used in this paper should not be considered empirical evidence of the analysis but an attempt to animate our reflexive understanding of the comparability concept with some illustrative material.

3. Concept of comparability

3.1 Comparability in the financial reporting literature

The comparability concept has its roots in the FR literature, where it was introduced to provide report users, typically financial stakeholders, with comparable information for their decision-making processes (Dhaliwal *et al.*, 2012; Gross and Perotti, 2017). Hence, comparability is perceived as a reporting quality that furthers the usefulness of financial information in making decisions, thus, serving the valuation purpose of reporting (Gross and Perotti, 2017; Michelon *et al.*, 2020). The Financial Accounting Standards Board [Financial Accounting Standards Board (FASB), 1980, CON2–6] defines information comparability as "the quality of information that enables users to identify similarities in and differences between two sets of economic phenomena". According to Yip and Young (2012), this definition considers two facets of comparability:

(1) the similarity facet – firms engaging in similar economic activities and reporting similar accounting amounts; and

(2) the difference facet – firms engaging in different economic activities and reporting different amounts.

As such, comparability enables capital providers to make comparisons across firms (inter-firm comparability), as well as to monitor the firms' use of their capital and management decisions over time (intra-firm comparability), thereby also facilitating the stewardship role of reporting (Michelon *et al.*, 2020).

Inspired by the emergence of reporting standards, such as the IFRS, Yip and Young (2012) examined how the mandatory application of the IFRS in EU-member countries had an impact on information comparability. Their results suggest that comparability of financial information among IFRS adopters improves to some degree, and firms' institutional environment is found to play a role in this. Whereas it is shown that similar information becomes more alike, different information does not become less divergent (Yip and Young, 2012). Focusing on the Spanish context, Callao *et al.* (2007) studied how the interplay between the Spanish accounting standards and the introduction of the IFRS influenced the comparability of information. The authors found that coexistence between two different reporting standards hampered comparability. Thus, when two accounting standards co-exist, it can make information comparability more challenging.

Traditionally, the FR literature has, thus, approached comparability from a decision-usefulness and monitoring perspective. This is not surprising as valuation and stewardship have long been the main roles attributed to reporting (Michelon *et al.*, 2020). Indeed, the third role that is often ascribed to reporting – accountability – has been relegated to the background as the current FR frameworks, such as the IFRS Foundation, are fully grounded in decision-usefulness considerations (Gross and Perotti, 2017; Williams and Ravenscroft, 2015). Nonetheless, this purpose is often central in SR, as its role is often defined as providing an account of the actions for which an organisation is held responsible in the eyes of all of its stakeholders (Michelon *et al.*, 2020).

3.2 Views of standard setters and policymakers on comparability in the sustainability reporting arena

Similar to the FR context, the development of reporting standards has shaped the conceptualisation of comparability in SR. By analogy with FR standards (Etzion and Ferraro, 2010), the GRI has included the comparability principle in its reporting guidelines from the start "to enable monitoring and benchmarking" (GRI, 1999, p. 7). Currently, the comparability principle remains one of the reporting principles included in GRI 1 Foundation 2021 (Table 1).

While the GRI standard remains the *de facto* SR standard (Adams and Abhayawansa, 2022; KPMG, 2020), other SR standards have been developed since the inauguration of the GRI, such as the SASB, the Task Force on Climate-Related Financial Disclosures (TCFD) and Integrated Reporting, to name a few. Importantly, all these standards include comparability in their reporting principles. While these standard setters have developed their standards with mainly financial stakeholders in mind, the GRI has always considered non-financial stakeholders when developing its standards. However, as the GRI reporting standards are based on accountability grounds, whereas the SASB and the TCFD are based on decision-usefulness grounds, our analysis of their reporting principles points to an important difference (Cooper and Michelon, 2022). Only in the description of the GRI's comparability principle is it mentioned that information should be consistently selected. Indeed, as the GRI suggests that materiality decisions should result from stakeholder engagements, they do not recommend a list of reporting items. In fact, according to the GRI, the reporting process should be informed by the extent to which companies affect all stakeholders, including those who do not contribute to the corporate strategy (Puriola and Mäkelä, 2019). As such, reports have the potential to fulfil their information needs as well. Yet, this turns the selection of information into a decision that brings along additional comparability considerations.

Somehow ironically, but in line with the findings in the FR arena, following the upsurge in the number of standard setters, investors complained that sustainability information was not comparable as different companies used different SR standards (Bernow *et al.*, 2019). As investors increasingly express interest in sustainability information, their demand for comparable sustainability information echoes more loudly than ever in the SR arena (Abela, 2022). Consequently, both policymakers and standard setters increasingly focus on the enhancement of comparability in the SR context.

From a regulatory perspective, the NFRD, adopted in 2014, mandated SR by certain entities in the EU, with the goal of fostering comparability of information to serve investors and society at large (European Parliament and European Council, 2014). However, as the NFRD does not prescribe the use of specific reporting standards, the question is whether it achieves its aim. Breijer and Orij's (2022) study provides some insights into this issue,

GRI standards (2021)		
Comparability-related statements	*Focus*	*Facets*
The organization shall select, compile and report information consistently to enable an analysis of changes in the organization's impacts over time and an analysis of these impacts relative to those of other organizations	Consistency in selection Consistency in the measurement method Comparison over time Inter-firm comparison	Facet 1 Facet 3 Facet 2 Facet 2
Information reported in a comparable way enables the organizations and other users to assess the organization's current impacts against its past impacts and its goals and targets	Comparison over time, against goals and targets	Facet 2
It also enables external parties to assess and benchmark the organization's impacts against impacts of other organizations as part of rating activities, investment decision and advocacy programs	Inter-firm comparison	Facet 2
To apply the comparability principle, the organization should: –Present information for the current reporting period and at least two previous periods, as well as any goals and targets that have been set	Comparison over time, against goals and targets	Facet 2
–Use accepted international metrics (e.g. kilograms and litres) and standard conversion factors and protocols, where applicable for compiling and reporting information	Measurement method	Facet 3
–Maintain consistency in the methods used to measure and calculate data and in explaining the methods and assumptions used	Consistency in measurement methods	Facet 3
–Maintain consistency in the manner of representing the information	Consistency in representation	Facet 3
–Report total numbers or absolute data (e.g. metrics, tons of CO_2 equivalent) as well as ratios or normalized data (e.g. CO_2 emissions per unit produced) to enable comparisons, and provide explanatory notes when using ratios	Measurement method	Facet 3
–Provide contextual information (e.g. the organization's size, geographical location) to help information users understand the factors that contribute to differences between the organization's impacts and the impacts of other organizations	Provide details on context to ease inter-firm comparison	Facet 3
–Present the current disclosures alongside restatements of historical data to enable comparisons if there have been changes in the information reported previously. This can include changes in the length of the reporting period, in the measurement methodologies, in the definitions used or in other elements of reporting. The organization is required to report restatements of information under Disclosure 2–4 in GRI 2: General Disclosures 2021	Provide details on restatements to ease comparison over time	Facet 3
–If restatements of historical data are not provided, explain the changes to provide contextual information for interpreting the current disclosures	Provide details on context to ease comparison over time	Facet 3

(*continued*)

Table 1. Comparability conceptualization by existing sustainability reporting standard setters

ESRS 1 General Disclosure principles (Exposure draft)		
Requirement	*Focus*	*Facets*
33. Sustainability information is comparable when it is consistent over time, and to the greatest extent possible, presented in a way that enables comparisons between undertakings (across sectors and within a specific sector)	Comparison over time Inter-firm comparison	Facet 2 Facet 2
33. (continued) A point of reference for comparison can be a target, a baseline, an industry benchmark, comparable information from either other entities or from an internationally recognized organization, etc	Comparison over time, against goals and targets Benchmarking	Facet 2 Facet 2
34. Consistency refers to the use of the same approaches or methods for the same sustainability matter, from period to period by the undertaking (as well as by other undertakings to the maximum extent possible)	Consistency in measurement methods Comparison over time Inter-firm comparison	Facet 3 Facet 2 Facet 2
SASB standards		
Requirement	*Focus*	*Facets*
Comparable: Metrics will yield primarily (a) quantitative data that allow for peer-to-peer benchmarking within the industry and year-on-year benchmarking for an issuer, but also (b) qualitative information that facilitates comparison of disclosure	Focus immediately on item level, not a selection issue Comparison over time Comparison to other organizations	Facet 1 Facet 2 Facet 2
The standard includes activity metrics to measure the scale of the issuer's business, providing operational context and facilitating normalization of SASB accounting metrics, which is important for the analysis of related disclosures	Normalization Relative comparison to other organizations	Facet 3 Facet 3
Activity metrics may include high-level business data such as total number of employees, quantity of products produced or services provided, number of facilities or number of customers. They may also include industry-specific data such as plant capacity utilization (e.g. for specialty chemical companies), number of transactions (e.g. for internet media and services companies), hospital bed days (e.g. for health care delivery companies) or proven and probable reserves (e.g. for oil and gas exploration and production companies). *An issuer's disclosure of these activity metrics should:* –Convey contextual information that would not otherwise be apparent from SASB accounting metrics –Be deemed generally useful for investors relying on SASB accounting metrics in performing their own calculation and creating their own ratios –Be explained and consistently disclosed from period to period to the extent they continue to be relevant	Provide details on context to ease relative comparison to other organizations	Facet 3
Exposure draft 1 IFRS S1 General requirements for disclosure of sustainability-related financial information		
Requirement	*Focus*	*Facets*
C17. The decisions made by the primary users of general-purpose financial reporting involve choosing between alternatives; for example, selling or holding an investment, or investing in one reporting entity or another	Inter-firm comparison	Facet 2

(*continued*)

Table 1.

Comparability is the characteristics that enables users to identify and understand similarities in, and differences among, items. Unlike the other qualitative characteristics, comparability does not relate to a single item. A comparison requires at least two items. Information is more to investors and creditors if it is also comparable, that is, if it can be compare with: (a) Information provided by the entity in previous periods; and (b) Information provided by other entities, in particular those with similar activities or operating within the same industry	Immediately on item level, no selection issue Comparison over time Inter-firm (with similar activities)	Facet 1 Facet 2 Facet 2
C19. Consistency is related to, but is not the same as, comparability. Consistency refers to the use of the same approach or methods for disclosures about the same sustainability-related risks and opportunities, from period to period, both by a reporting entity and other entities. Comparability is the goal; consistency helps to achieve that goal	Consistency in measurement methods Consistency in representation	Facet 3 Facet 3

Source: created by the authors, based on EFRAG (2022), GRI (2021), IFRS Foundation (2022) and SASB (2017)

Table 1.

concluding that companies that only started disclosing sustainability information when obliged to do so by the NFRD, mainly use investor-oriented reporting frameworks based on decision-usefulness grounds (e.g. the SASB standards). Companies that had already begun disclosing information on a voluntary basis before being required to do so by the NFRD often use a multi-stakeholder-oriented reporting framework (typically, the GRI standards). However, as the latter companies also started using investor-oriented frameworks to complement the multi-stakeholder ones that they already used, the comparability of investor-focused sustainability information increased. Importantly, according to Breijer and Orij (2022), their results suggest that this increase is to some extent theoretical, as resistors (i.e. those that only start reporting after the implementation of the directive) often use boilerplate language as an avoidance strategy to hide their poor sustainability performance, retain proprietary information or limit their implementation efforts. In parallel, Christensen *et al.* (2021) argue that the use of boilerplate disclosure may hamper comparability.

As the public consultation on the review of the NFRD reveals that the overwhelming majority of report users believe that there is a deficiency in comparability, the EU has aimed to strengthen the comparability of sustainability information through the successor of the NFRD, the Corporate Sustainability Reporting Directive (CSRD). The European Commission (EC) has assigned the EFRAG as the technical working group in charge of developing the ESRS. Companies falling within the scope of the CSRD will have to follow the ESRS from 2025 (reporting on 2024 data) onwards if they were already within the scope of the NFRD [European Commission (EC), 2021]. In parallel, to overcome the difficulties in comparability emerging from multiple SR standards, the IFRS Foundation has established the ISSB, whose objective is to create a global baseline of reporting that will enable (mainly) investors to make better comparisons of sustainability information provided by companies (IFRS Foundation, 2022). The ISSB is currently working on developing the IFRS Sustainability Disclosure Standards (IFRS SDS).

Overall, comparability is increasingly emphasised in the SR arena as it is one of the triggers behind the development of the ESRS and the IFRS SDS. This enhanced focus of standard setters on comparability directly results from the mainstreaming of SR, as it arises from greater attention to the needs of capital providers (van Bommel *et al.*, 2023). In this regard, we note that the EFRAG also embraces the similarity and difference facets of comparability, as suggested by Yip and Young (2012) in the FR context [European Financial Reporting Advisory Group (EFRAG), 2022, ESRS 1 – General Requirements]. Yet, there is a risk that this enhanced focus on comparability may further contribute to this mainstreaming by shifting the attention further away *from* reporting that emphasises social and environmental impacts and value creation for society *to* reporting that emphasises the importance of social and environmental aspects for business sustainability (Abela, 2022; van Bommel *et al.*, 2023).

3.3 Comparability in the sustainability reporting literature

Given the importance of comparability to report users, standard setters and regulators, the comparability of sustainability information has increasingly gained the interest of researchers (Boiral and Henri, 2017; Breijer and Orij, 2022; Parsa *et al.*, 2018; Venturelli *et al.*, 2020; Wegener *et al.*, 2019). Nonetheless, all these studies emphasise different aspects of comparability. This is not surprising as Skillius and Wennberg (1998) already distinguished several levels of comparability when focusing only on performance indicators: comparability with an earlier time period, with other sites in the same company, with other companies in the same line of business and with all other companies.

Few studies also identify some factors complicating comparability, such as the qualitative aspects of GRI indicators or the provision of incomplete, ambiguous and self-proclaimed information (Boiral and Henri, 2017; Parsa *et al.*, 2018). Consequently, even when reports are based on the same reporting standard (in these studies, the GRI standard), the reports do not seem to be highly comparable (Boiral and Henri, 2017; Parsa *et al.*, 2018). However, what is missing from these studies is an in-depth reflection on the interplay between the comparability principle and the GRI's accountability grounds.

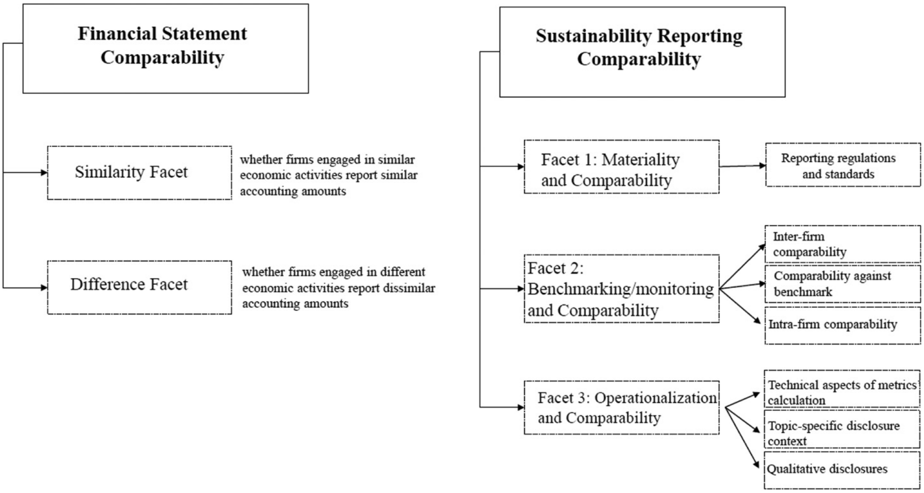
3.4 Linking the comparability concept to the purpose of reporting through three facets

Overall, our preceding analysis suggests that the comparability concept may be approached differently by standard setters, regulators and report users in the SR arena, depending on the purpose(s) they assign to SR. To comprehensively explore the connections between the conceptualisation of the comparability concept and *all* possible purposes assigned to corporate reporting (Michelon *et al.*, 2020), we now disentangle the comparability concept into three facets:

(1) materiality and comparability;
(2) benchmarking/monitoring and comparability; and
(3) operationalisation and comparability.

Facet 1 results from our analysis of the comparability principle, as described by the GRI, and brings in the accountability view on reporting. Facet 2 represents the decision-usefulness and monitoring views on reporting. Facet 3 is intended to capture the idea that these different views on reporting bring various challenges and views regarding the operationalisation of comparability.

Figure 1 summarises the comparability facets that Yip and Young (2012) have distinguished in FR and those that we have distinguished in SR. The latter facets



Source: Created by the authors

Figure 1. Comparability facets in financial reporting versus sustainability reporting

should be considered starting points for extending the understanding of the different meanings that the comparability concept can carry in the SR arena. By taking a multi-perspective approach to reflexivity (Alvesson *et al.*, 2008) when focusing on *each* facet, we aim to create a more varied picture of the comparability concept, that is, one that views the concept from different angles, not only from the mainstream, decision-usefulness assumption. The last column of Table 1 links these facets to the operationalisation of the comparability principle by the standard setters referred to in this section.

4. Disentangling the concept of comparability

4.1 Facet 1: materiality and comparability

Materiality forms the basis for corporate disclosure (Jørgensen *et al.*, 2022; Reimsbach *et al.*, 2020). While the importance of materiality is acknowledged in both the FR and SR literature, the latter lacks consensus on the definition of materiality, and different parties approach it differently. On one hand, investors and more broadly, capital providers, are typically more interested in financially material information, which means any information that may affect corporate value positively or negatively (Cooper and Michelon, 2022). Thus, those financial stakeholders are keen on sustainability information that can be used for valuation and stewardship purposes (Michelon *et al.*, 2020). On the other hand, non-financial stakeholders, particularly the less economically powerful ones, are typically drawn to impact material information, that is, any information regarding the company's positive or negative impacts on any sustainability-related matter (Cooper and Michelon, 2022). These stakeholders are, thus, not necessarily interested in receiving sustainability-related information that can serve valuation and stewardship purposes but in receiving information that enables them to hold companies accountable for the latter's sustainability impacts, that is, information that can serve accountability purposes (Michelon *et al.*, 2020).

The combination of the two approaches, known as the double materiality approach, is currently considered the most holistic one because it offers useful information to *all* stakeholders (Jørgensen *et al.*, 2022). Moreover, a recent approach to materiality, labelled dynamic materiality, takes the time dimension into consideration (Kuh *et al.*, 2020) and emphasises that what is relevant for a company may change over time, due to a change in its business model, the external context or other emerging factors. In addition, sustainability information, which is impact material but financially immaterial today, can become financially material in the future (World Economic Forum, 2020).

Some standard setters (e.g. the SASB, the ISSB) aim to guide companies in reporting information based on a financial materiality approach, such that investors are provided with useful information (Abela, 2022; Jørgensen *et al.*, 2022). Other standard setters (e.g. the GRI) have integrated an impact materiality [2] approach in their reporting standards (Cooper and Michelon, 2022). When deciding which reporting standard to use, companies, thus, decide which stakeholder group to prioritise in their reporting. Consequently, although the growth in the number of reporting standards and regulations has undoubtedly improved SR over the years, their differences, especially regarding materiality, impede information comparability.

4.1.1 Reporting regulations and standards. The NFRD requires companies to disclose information on the following categories: environmental matters, social and employee matters, respect for human rights, anti-corruption and bribery matters and diversity on company boards. While the NFRD encourages companies within its scope to rely on reporting standards in developing their disclosures on these categories, it allows them to choose whether or not to use reporting standards and if so, which one to use. Although a double materiality approach underpinned the NFRD, many firms have chosen an investor-oriented standard, particularly the SASB standard, embedding a financial materiality approach, to build their disclosures (Breijer and Orij, 2022). As illustrated in Appendix 1 [3], mobilising the SASB standards implies that commercial banks, for instance, would disclose on topics that do not directly fall under the NFRD categories. However, both of the banks in our study mobilise the GRI standards to support their disclosures. Following their materiality analysis [4], both banks report not only on specific GRI disclosure topics that can be located under the NFRD categories but also on GRI disclosure topics that do not directly belong to one of the NFRD categories yet are material to the banks (Appendix 1). As companies may mobilise one or multiple reporting standards incorporating diverse materiality approaches to meet all NFRD requirements [Federation of European Accountants (FEE), 2016], they introduce variability in the exact topics (under and beyond the NFRD disclosure categories) that they report on. This points to an interplay between materiality and comparability. Consequently, it is not surprising that the consultation held by the EC in 2020 to gather information for the NFRD revision revealed that around 71% of the respondents criticised the NFRD for its inability to enhance information comparability [European Commission (EC), 2020]. To tackle the NFRD's limitations, the EU proposed the CSRD, whose uniqueness was that in parallel to its development, the ESRS would be developed as well.

When standard setters envision financial stakeholders as comprising a key report user audience, they place a high value on comparability as they aim to develop standards that lead to information that is useful for valuation purposes (Michelon *et al.*, 2020). As these standard setters aim to offer financial stakeholders comparable information, they determine which set of topics is material and needs disclosure. Given its focus on financial stakeholders, the SASB, for instance, devotes much attention to comparability; as such, it suggests a list of topics that it considers financially material for an industry [Sustainability Accounting Standards Board (SASB), 2017]. In line with its focus on the accountability purpose of reporting, the GRI embeds the impact materiality perspective in its standards and requires companies to engage with stakeholders to decide which topics are material to report. Hence, the GRI adopts a multi-stakeholder perspective (Cooper and Michelon, 2022).

When companies choose the same reporting standard, the extent to which their reports will be comparable depend upon the standard. More specifically, if two companies follow the SASB standards, they will disclose a set of similar topics, whereas if two companies follow the GRI Standards, the set of disclosed topics can differ since it results from various stakeholder engagement processes. Indeed, next to the common topics listed in Appendix 1, CREDEM and BPER list other GRI topics as material disclosure items. For instance, CREDEM lists non-discrimination as a material disclosure topic (Appendix 6), while BPER lists socio-economic compliance, public policy, market presence, local communities, procurement practices, tax and labour/management relations (Appendix 7). To encourage organisations' consistent selection of information, the GRI recently increased its guidance regarding the materiality assessment process (GRI, 2021).

By referring to the need to consistently select information, the GRI is the only standard setter that implicitly refers to the interplay between comparability and materiality (Table 1). Nevertheless, this interplay and its implications are not trivial. More specifically, our observations suggest that comparability may interact better with financial than with impact materiality. Therefore, it is interesting to analyse how the EFRAG and the ISSB, which both aim to enhance the comparability of sustainability information, tackle this interplay.

The ISSB seems to handle it in the easiest way. By focusing on financial materiality only, it can list some predefined material topics according to sectoral specificities. Indeed, the ISSB, which now governs the SASB, has indicated that it will leverage SASB industry-based standards. As the ESRS is based on a double materiality approach, the EFRAG uses a more complex, dual approach to determining materiality. On one hand, it prescribes a set of general disclosures, climate change disclosures (ESRS E1) and depending on the company size, some disclosures on "own workforce" (ESRS S1) [European Financial Reporting Advisory Group (EFRAG), 2022, ESRS 1 – General Requirements, paragraph 31, p. 9]. On the other hand, it requires companies to conduct a materiality assessment and to report on those company-specific topics that appear as material from a financial or impact point of view and may or may not be covered by their sector-agnostic or sector-specific disclosure guidelines. Indeed, to achieve a higher degree of comparability, information that according to EFRAG, is likely to be material for all undertakings – or for all undertakings in a specific sector – is reflected respectively in sector-agnostic and sector-specific disclosure requirements.

Importantly, the EFRAG is rather prescriptive in how to conduct the materiality assessment [5]. However, when standard setters become strictly prescriptive regarding the materiality assessments to make them more comparable, they may purposefully disregard the fact that a unified understanding of what information is material may not be possible as there may be varying and at times even conflicting views on what is material (Puriola and Mäkelä, 2019). Indeed, the focus on comparability creation by standard setters may impede the application of the materiality principle, and more importantly, may lead to reporting that serves valuation purposes rather than accountability purposes.

Finally, considering the importance of dynamic materiality, the idea of requesting companies to report predefined material aspects (i.e. ISSB) is in contrast to an evolving business model. Thus, due to significant attempts to improve information comparability, the importance of materiality may be waning. When trying to continue adhering to higher information comparability, is there space for a dynamic evolution into what is material for an organisation? Questions such as this can motivate not only scholars to conduct future empirical research but also policymakers and standard setters to reflect on how to tackle potential issues that can hamper the provision of transparent accounts of companies' material impacts.

4.2 Facet 2: benchmarking/monitoring and comparability

The FR literature has already discussed how comparability can be useful from both a longitudinal perspective on a single firm and a cross-sectional perspective on multiple firms (Gross and Perotti, 2017). These different perspectives of comparability could be respectively labelled as *intra-firm* and *inter-firm comparability*. While inter-firm comparability mainly serves valuation purposes in the FR literature, intra-firm comparability may also serve stewardship purposes as it allows monitoring. We now investigate the extent to which inter and intra-firm comparability may serve the different reporting purposes (i.e. valuation, stewardship and accountability) in the SR context. We also introduce a third level of monitoring, which relates to the valuation purpose of comparing information toward external benchmarks.

4.2.1 Inter-firm comparability. In SR, inter-firm comparability refers to the fact that companies should disclose information that enables report users to easily compare sustainability information among different organisations. This idea of inter-firm comparability, which is embedded in the comparability principle of the GRI and all other reporting standards listed in Table 1, is mainly focused on capital providers' need to evaluate alternative future return-on-investment opportunities. In line with the valuation purpose, the focus is, thus, on decision usefulness (Michelon *et al.*, 2020). As pointed out by Gross and Perotti (2017), this form of comparability mainly serves economic comparability (i.e. the similarity with which companies' cash flows react to economic events). Likewise, the urge to compare and rank firms based on their sustainability performance is derived from the desire of investors, lenders, credit-rating agencies or regulators to benchmark organisations, similar to what they do with FR. Hence, these stakeholders demand more comparable information on sustainability performance as it enables them to perform benchmarking analyses for the purpose of informing their financing decisions (Adams and Abhayawansa, 2022; Dhaliwal *et al.*, 2012).

The possibility to capture sustainability information in quantitative and quantifiable data, such as GRI topic-specific disclosures, enhances inter-firm comparability. Although Sherman and Di Guilio (2010) note that social information is more qualitative and less standardised, Appendices 2, 3 and 4 – which zoom in on common GRI disclosure topics because only disclosures on the same topics can be meaningfully compared – illustrate that it is also difficult to compare environmental information on the GRI topic level. Indeed, although most of the environmental GRI topic-specific disclosures concern metrics, only effluents and waste and environmental compliance are disclosed by both banks using the same GRI topic-specific disclosures (Panel A). For the other material topics (i.e. materials, energy and emissions), some topic-specific disclosures are reported by both banks (Panel A), while others are only reported by one of the banks (Panel B for CREDEM and Panel C for BPER). The same observation can be made on non-environmental topics. This hinders the inter-firm comparability of these topics. While companies in the same industry are expected to report similar GRI topic-specific disclosures, previous studies (Boiral and Henri, 2017; Sherman and Di Guilio, 2010) and our empirical example illustrate that this is typically not the case.

These observations lead to two reflections. Firstly, it is understandable that inter-firm comparability is central to the reforms of standards. Secondly, taking a more distant perspective one may question GRI's ambitions in guaranteeing inter-firm comparability, given its accountability grounds. Indeed, how investors use FR for economic valuation purposes differs from how stakeholders, interested in the firms' social and environmental impacts, use SR for accountability purposes (Michelon *et al.*, 2020). The tension among different stakeholders interested in SR makes it more difficult to transpose the inter-firm comparability notion from one domain to another. Indeed, while inter-firm comparability may enable investors to perform some benchmarking analysis, it does not necessarily turn SR into a tool that can be used for accountability purposes. Consequently, while inter-firm comparability may satisfy the needs of investors and capital providers, it may ignore those of the public interest and society at large (Abela, 2022; Adams and Abhayawansa, 2022). In line with Abela's (2022) viewpoint, we also argue that inter-firm comparability is not company oriented as it does not help companies improve but only focuses on disclosure. It may be inappropriate to allow the valuation purpose to dominate the interpretation of comparability in the SR arena. Indeed, SR may need to fulfil not only the valuation or decision-usefulness desires of investors and funders but also the accountability desires of a set of non-financial stakeholders. Hence, comparability should go beyond inter-firm comparability focused on valuation purposes in the SR arena.

4.2.2 Comparability against benchmark. While benchmark analysis has not been clearly defined in the FR field, this type of comparability is put forward more clearly in the SR field. For instance, the ESRS (Table 1) conceptualises it as the practice of comparing information with industry benchmarks or benchmarks provided by internationally recognised organisations. However, our textual analysis shows that both banks are not very eager to provide benchmark disclosures, that is, disclosures that compare their sustainability performance with those of other companies. While both banks occasionally use benchmark disclosures to populate their sustainability reports, two important remarks have to be made.

Firstly, both CREDEM and BPER mainly benchmark the results about their economic and occasionally environmental and social performance by comparing them with sectoral or national averages or by highlighting that they are ranked among the top performers on these criteria (Appendix 5). Moving beyond the companies' economic profiles, we have observed some benchmark disclosures in the environmental domain (i.e. regarding water consumption and renewable energy). We have not witnessed many benchmark disclosures in the social domain. This may be explained by the fact that the social dimension of sustainability cannot be easily captured quantitatively (Boiral and Henri, 2017; Sherman and Di Guilio, 2010).

Secondly, we question benchmark disclosures' use in truly improving sustainability if it is only mobilised when the company has some primacy. Indeed, both CREDEM and BPER adopt benchmark disclosures to demonstrate that they are "best-in-class organisations" (Boiral and Henri, 2017) in specific categories. Therefore, while previous studies have highlighted that comparability in SR may require companies to disclose benchmarking information to enable financial stakeholders to make capital allocation decisions (Breijer and Orij, 2022; Venturelli *et al.*, 2020; Wegener *et al.*, 2019), based on our viewpoint, we question this idea. Our illustration pinpoints such disclosures as opening the door to manipulation and obfuscation (Cho *et al.*, 2010; Christensen *et al.*, 2021). Companies' urge to impress potential funders and investors may even threaten valuation purposes as publishing only positive and best-in-class results does not lead to the provision of true and fair information to investors and funders (Michelon *et al.*, 2020). In their current form, benchmark disclosures do not encourage balanced reporting, thereby serving no valuation, stewardship or accountability purpose. Although benchmark disclosures may have the potential to act as means to enhance corporate sustainability performance by encouraging companies to report their failures and defeats, this potential will only be realised when benchmark disclosures lead to the illustration of a logical chain of improvement and, thus, serve the stewardship and accountability purposes of reporting.

4.2.3 Intra-firm comparability. In the FR literature, the notion of stewardship reflects internal and external stakeholders' use of accounting information to hold the management accountable by assessing its past performance and monitoring managerial actions in the near future (Michelon *et al.*, 2020). Therefore, reporting can be used for stewardship purposes when it allows comparison from the past to the future. Similarly, in the SR arena, the GRI (Table 1) suggests that intra-firm comparability reflects companies' capacity to present information for the current and at least two previous reporting periods, as well as any set goals and targets. This facet of comparability goes beyond the short-term-oriented focus of inter-firm and benchmark comparability (Abela, 2022). It brings the focus to long-term value creation for society by encouraging disclosures that truly reflect the companies' impacts (both positive and negative) on sustainability and sustainable development and, thus, encourages the fulfilment of broad accountability duties (Adams and Abhayawansa, 2022).

The data consulted generally show that over the three-year period under study, both banks had been consistent in disclosing information on aspects that were material across the years (Appendices 6 and 7, Panel A). Appendix 7 shows very few differences across the three years for CREDEM. Anti-corruption was addressed in more detail in 2018; the numbers of disclosure items on marketing and labelling increased in 2019 and 2020. In 2020, following the COVID-19 pandemic, CREDEM significantly enriched its disclosure topics related to occupational health and safety. This shows that materiality can be time dependent. Appendix 7 shows that BPER added few GRI topic-specific disclosures over time.

Appendix 8 provides some examples of intra-firm comparability on social and environmental issues that can help stakeholders hold companies accountable for achieving these goals. Still, both companies can improve in their reporting against targets, which so far was mainly done for the emissions topic. It is noteworthy that BPER also visualises its progress towards achieving its objectives by indicating in a table whether they reached 0%, 25%, 50%, 75% or 100% of their targets (Sustainability Report, BPER, 2019, p. 148; Sustainability Report, BPER, 2020, p. 174). The large extent of intra-firm comparability in the disclosures of CREDEM and BPER not only allows external readers to assess its evolution, but it may also encourage organisational change, resulting in more sustainable behaviour. Indeed, the banks' SR reveals that intra-firm comparability also benefits the companies as they point to the importance of "enabling the comparison of data over time" (Consolidated Non-Financial Statement, CREDEM, 2019, p. 8).

Our empirical animation encouraged us to reflect on the role of intra-firm comparability in SR and more importantly, on how it could serve broader accountability purposes. As highlighted by Adams and Abhayawansa (2022), it is time to intensify corporate efforts regarding the incorporation of sustainable development considerations into organisational strategy, MA and governance and to accept accountability for these. Therefore, it is urgent to promote intra-firm comparability and to transform it in such a way that it can illustrate a logical chain of improvement. Indeed, focusing on this form of intra-firm comparability could urge companies to use the comparable information they possess to evaluate their performance and achieve long-term sustainability targets that contribute to sustainable development. More specifically, when intra-firm comparability reflects a logical chain of improvement, it goes beyond the valuation purpose of reporting (Gross and Perotti, 2017; Michelon *et al.*, 2020) by meeting the long-term information needs to monitor the financial, social and environmental impacts of sustainability issues, thereby also serving the purposes of long-term stewardship and more broadly, accountability (Michelon *et al.*, 2020). Therefore, to promote a sustainable society with less harmful impacts on nature and people, we have to reconceptualise comparability from a corporate target-oriented perspective, as this would encourage companies to formulate targets and, thus, reduce environmental impacts and enhance the wellbeing of people and society. Intra-firm comparability could help in switching from the short-term orientation that is widely accepted in the capital markets to the long-term view needed to contribute to sustainable development.

4.3 Facet 3: Operationalisation and comparability

4.3.1 Technical aspects of metrics calculation. Boiral and Henri (2017) conducted a content analysis to examine the extent to which the GRI G3 Guidelines foster the comparability of the sustainability information in the 2007 reports of mining companies. They conclude that the systematic comparison of the information disclosed in the GRI indicators – now called topic-specific disclosures – points to "the impossibility of [. . .] comparing the sustainability performance of firms from the same sector, which are supposed to be strictly following the same guideline" (p. 283). More precisely, they note that the quantitative metrics may not always be measured and represented consistently. Some studies investigate how other technical aspects such as restatements (Venturelli *et al.*, 2020) and differences in production method leading to differences in greenhouse gas emissions' estimation methods may affect comparability (Wegener *et al.*, 2019). Likewise, differences in decisions on where to draw reporting boundaries, which in fact go back to materiality decisions, may hamper consistency (Antonini *et al.*, 2020).

Although the GRI has moved on from the GRI G3 Guidelines to the GRI Standards, and third-party assurance has been provided on the sustainability disclosures of both banks, we conclude that the issues concerning the technical aspects of comparability referred to above have not been resolved. For instance, although disclosures on calculation methods are often requested by the GRI, due to lack of disclosure on the banks' calculation methods it is difficult to know to what extent differences in calculation methods drive variations in reporting. More detailed descriptions are provided only for the Scopes 1, 2 and 3 emissions. In addition, the baselines used to calculate figures reflecting their impacts are at times not disclosed, or the measurement scale is not the one suggested by the GRI. Indeed, despite the GRI's rule-based approach in the description of its disclosure requirements (Breijer and Orij, 2022), these requirements are not always followed closely in practice. To illustrate this, Appendix 9 compares the topic-specific disclosure "302–4 Reduction of energy consumption" with the GRI requirements. Possible explanations for the deviation from the disclosure requirements include companies' lack of the necessary information systems to provide the information required or their rather loose interpretation of the disclosure requirements (Parsa *et al.*, 2018).

Another reason why it is difficult to systematically compare information referring to the same topic-specific disclosure is that the GRI requirements sometimes allow some discretion. This approach can be justified by the fact that materiality, especially impact materiality, is socially constructed (Lehner *et al.*, 2022) so that the relevant scope of some metrics can, thus, follow from discussions with stakeholders. However, this opens the door to a strategic use of such discretion. To illustrate this, Appendix 10 shows how both banks, despite following the GRI requirements for the topic-specific disclosure "302–3 Energy intensity", report different metrics. When closely examining this, one may be tempted to conclude that CREDEM may have seized the manoeuvring room allowed to provide the "best" metrics. Better-looking metrics may be created in two ways:

(1) by using alternative metrics (numerator) or

(2) by 'playing' with the reporting scope of the metrics (denominator).

Discretion, thus, opens the way to obfuscation and impression management (Cho *et al.*, 2010; Christensen *et al.*, 2021). This confirms Boiral and Henri's (2017) suggestion that not only functional/technical factors but also political/strategic factors may make it difficult to systematically compare two entities' disclosures on the same topic. Emphasising inter-firm comparability may encourage companies to engage in obfuscation and impression management as it focuses on disclosures, since these are used by funders and investors in their benchmarking analysis to inform their decision making. Hence, such reporting may derail the valuation purpose.

The fact that topic-specific disclosures do not always have detailed granularity may also make it difficult to systematically compare them. An example can be found in the banks' reporting of the topic-specific disclosure "302–4 Reduction of energy consumption" (Appendix 9). While CREDEM reports a vague description of its remediation/mitigation activities – to the extent that it is unclear what some activities such as restructuring entail – and some numbers indicating the reductions achieved following these actions, BPER provides many details on its remediation/mitigation activities. However, BPER does not specify the reduction per remediation/mitigation activity. Hence, it is difficult to compare both banks' initiatives. This difficulty is exacerbated by the ambiguity in how they calculated their energy reduction following their activities or which baseline they used in calculating their figures. Although it is sometimes challenging to find out how a topic-specific disclosure could potentially cover any of the requirements by the GRI (e.g. the requirements of 302–4 for BPER), in the conclusion of their assurance statements, the auditors note that nothing came to their attention that would suggest that the non-financial information does not meet the GRI standards. Nevertheless, we believe that as the reported information is not comparable between the firms, the valuation purpose is not served.

The metrics proposed by the GRI in its topic-specific disclosures are often backward looking; for instance, the GRI suggests that companies disclose their energy consumption in the past year and proposes detailed guidelines so that these figures are calculated consistently across companies. While this may suit report users who only use the information for short-term economic ends, this may not be the case for stakeholders who turn to the report for accountability purposes. Indeed, the report readers may be interested to find out the long-term economic, social and environmental impacts of actions taken today. This brings along the need for forward-looking metrics resulting from estimations about those impacts. Standardising such information is not straightforward as it would involve assumptions (e.g. scenario analysis) about future incidents and the relevant time horizon underlying such estimations (Lehner *et al.*, 2022; Unerman *et al.*, 2018).

4.3.2 Topic-specific disclosure context. While the previous subsection focused on metrics, the standardisation of calculations and as such, metrics, is not so straightforward in the SR arena, especially when metrics attempt to capture impacts that are not so readily commensurable (Unerman *et al.*, 2018). For instance, although two different companies may use the same amount of water, the impact of their water usage may depend on the region where they are located. The company located in a region subject to water stress will produce a much greater impact (Boiral and Henri, 2017; Unerman *et al.*, 2018). Unerman *et al.* (2018) clearly explain how the dynamics and interactions among social, environmental and economic impacts "[make] it imperative for context-specific information to be incorporated into sustainability decision-making, and therefore into meaningful disclosures of externalities in corporate reporting" (p. 506). Report users interested in the social and environmental impacts of corporate behaviour may be more in need of such information than those only interested in financial impacts.

As the metrics proposed in the GRI topic-specific disclosures often exclude the impact of certain actions (e.g. water usage), such disclosures should be accompanied by relevant contextual information to enable meaningful comparison of the GRI topic-specific disclosures of two organisations (Boiral and Henri, 2017; Unerman *et al.*, 2018). Relatedly, as the COVID-19 pandemic may have affected banks' sustainability impacts, context-specific disclosures are needed to contextualise the banks' environmental impacts (e.g. energy consumption) and social impacts (e.g. employee development) and their evolution over time. However, as stipulated in Appendices 9 and 11, both banks provided no or very limited information on how the COVID-19 pandemic influenced their energy consumption or their organisation of training activities. While BPER briefly mentions that in the wake of COVID-19, training was delivered in an online environment, CREDEM does not discuss the pandemic's impact on their organisation of training activities.

Some contextual disclosures should be provided to put the quantitative GRI topic-specific disclosures in context and as such, facilitate comparability over time. Therefore, we suggest that policymakers and standard setters focus on publishing requirements that lead to not only standardised measurement scales and methods but also the provision of accompanying contextual information. Indeed, although in its guidance on the comparability principle (Table 1), the GRI mentions the need to provide contextual information that helps users understand the factors contributing to differences between the impacts of an organisation and those of others, this guidance is not often followed. In fact, we believe that the GRI's sustainability context principle, which mainly focuses on determining which topics are material, may need to be extended to provide the necessary information to put metrics in their proper context and, thus, facilitate their comparison. This may underline the importance of contextual information for the purposes of comparison and interpretation by readers who want to hold companies accountable for the actual impacts their operations create.

4.3.3 Qualitative disclosures. While Boiral and Henri (2017) remark that it is especially challenging to compare qualitative disclosures, we note that these disclosures (typically MA disclosures) may be read as fairly generic and similar across banks and years (Appendix 11). Hence, MA disclosures risk being boilerplate (Christensen *et al.*, 2021). Our empirical illustration suggests that this concern may also apply to more qualitative GRI topic-specific disclosures, including "404–2 Programs for upgrading employee skills and transition assistance programs". Although only BPER claims to provide information that matches the disclosure requirements of this topic, its disclosure is so generic that it appear almost similar to the one that CREDEM provides as part of the MA disclosures related to training and education. This example confirms Parsa *et al.* (2018) observation that comparing GRI content tables may not be misleading. Moreover, it suggests that companies may find it difficult to distinguish between qualitative GRI topic-specific disclosures and MA requirements or to fulfil all MA disclosure requirements to the fullest extent. Indeed, as indicated in Appendix 11, CREDEM's and BPER's MA disclosures do not meet many of the GRI requirements.

Therefore, in the context of regulatory disclosures or the mandatory application of reporting standards, it may be important to avoid reporting requirements that are not specific enough, as firms with weak incentives to report meaningful sustainability information may opt for boilerplate language to comply with the letter but not necessarily the spirit of the law or standards (Christensen *et al.*, 2021). While boilerplate disclosures may give the impression that companies manage topics in the same way, they are actually so generic that they do not allow the reader to understand how the companies really manage the topics. Hence, boilerplate disclosures do not discharge accountability duties. As not all externalities can be easily quantified, there is a need to improve the reporting requirements for qualitative disclosures since these externalities' impacts can only be comprehensively captured in such qualitative disclosures (Unerman *et al.*, 2018).

5. Concluding remarks

Following the pressure from financial stakeholders, the concept of comparability has increased in importance on the agenda of policymakers and standard setters in the SR arena and has therefore also garnered increased interest of SR researchers (Boiral and Henri, 2017; Breijer and Orij, 2022; Venturelli *et al.*, 2020; Wegener *et al.*, 2019). Our viewpoint contributes to the debate in the SR research area by disentangling and critically assessing comparability concept. By adopting R-reflexivity, we have not only illustrated that using a single frame of reference leads to a narrow view on comparability in SR, but we have also disentangled the concept into three facets: materiality and comparability (Facet 1), benchmarking/monitoring and comparability (Facet 2) and operationalisation and comparability (Facet 3). These facets acted as starting points for extending our understanding of the potential meanings of this concept in the SR arena. Our critical analysis of these different facets has not only enhanced our understanding of the comparability aspects but has also allowed us to raise questions about the direction in which SR is heading (Alvesson *et al.*, 2008; Gendron, 2018).

A common criticism against the multi-perspective reflexivity is its ambiguity about the researchers' own viewpoints (Alvesson *et al.*, 2008). To overcome this criticism, we have highlighted our own position in discussing the potential implications of our analysis of the facets for standard setters and policymakers. As our view aligns with those of other academics in SR, our discussion builds on and supports their scepticism regarding the mainstreaming of SR (Abela, 2022; Abhayawansa, 2022; Adams and Abhayawansa, 2022; Giner and Luque-Vílchez, 2022; van Bommel *et al.*, 2023). We now summarise the main takeaways for each facet and provide some suggestions for policymakers, standard setters and assurance practitioners.

Facet 1 has been mobilised to illustrate the interplay between comparability and materiality. When standards are primarily designed to serve the valuation purpose and, thus, embrace the financial material perspective, comparability is key. Consequently, standards such as the SASB's clearly suggest which information is financially material and list topics to include in SR. However, when standards, such as the GRI Standards, are mainly designed to serve the accountability purpose and, thus, embrace the impact material perspective, materiality and stakeholder engagement are key. Therefore, the GRI demands reporters to engage in a materiality assessment in which they involve their stakeholders. As the EC seeks to embed both purposes in its standards, it requires companies to provide a limited amount of mandatory information and gives instructions on how to conduct a materiality assessment to determine which other topics to disclose (ESRS1).

We question both the prescription of a predefined set of disclosure topics and the detailed requirements regarding materiality assessments. Firstly, a predefined set of disclosure topics not only neglects particular stakeholders' needs but also fails to consider the dynamic nature of materiality. While a predefined set of disclosure topics can undoubtedly make it easier to compare sustainability reports, the risk is that over time, the comparable items may lose their materiality and, thus, their relevance and decision usefulness (even for investors). Secondly, providing detailed instructions on materiality assessments may be problematic because companies may refrain from properly consulting all their stakeholders (Puriola and Mäkelä, 2019; Reimsbach *et al.*, 2020). Thus, although both a predefined set of disclosure topics and detailed requirements for materiality assessments aim to provide comparable data, these approaches may crowd out the importance of materiality assessments driven by accountability purposes. When investors' call for comparable data leads to reporting standards that require companies to provide a set of preselected disclosure topics, while either downplaying or streamlining materiality assessments at the corporate level, we are confronted with a situation where the enforcement of comparability represses materiality, particularly dynamic and impact materiality. The resulting sustainability disclosures not only risk failure to fulfil accountability duties *vis-à-vis* stakeholders but also to not encourage progress in some sustainability aspects, especially those not directly related to financial risks, such as respect for local communities.

Our critical reflection on Facet 2 offers some insights regarding inter- and intra-firm comparability. Clearly, the problem with inter-firm comparability and the provision of benchmarking disclosures is that companies may have the intention to manage them strategically. Knowing that they are used by external stakeholders, particularly capital providers, companies may be tempted to position themselves as the "best-in-class" organisations (Boiral and Henri, 2017). Hence, we question the use of inter-firm comparability and benchmark disclosures in truly improving sustainability for two reasons. Firstly, as these forms of comparability are developed to fulfil the valuation purpose and, thus, address the needs of investors and capital providers, they neglect the accountability purpose and consequently ignore the information needs of less economically powerful stakeholders and society at large (Abela, 2022; Adams and Abhayawansa, 2022). Secondly, as our empirical illustration indicates that inter-firm comparability and benchmark analysis are mainly mobilised to show economic dominance, we argue, in line with Abela's (2022) position, that these two forms of comparability are not long-term or multiple-stakeholder oriented but serve the conventional valuation purpose and, thus, the needs of the capital providers. We contend that both forms of comparability will not enable companies to meet the requirements of the Sustainable Development Goals and to solve environmental problems and social inequalities. On the contrary, they will facilitate the "financialisation" and "commensuration" of SR (Abela, 2022; Abhayawansa, 2022; Adams and Abhayawansa, 2022; Giner and Luque-Vilchez, 2022; van Bommel *et al.*, 2023).

To enable SR to foster change in society, the principles underpinning its standards should cover both valuation and accountability purposes, as this may enhance the extent to which sustainability becomes integrated into organisational strategy, MA and governance (Adams and Abhayawansa, 2022). Our viewpoint therefore aims to promote the idea of intra-firm comparability, which is more entity oriented and refers to companies' ability to monitor their social and environmental impacts over time, with information that could be both qualitative and quantitative. This form of comparability could include the accountability purpose by shifting the focus from the short to the long term, which is consistent with the complex and evolving frame of sustainability. We urge policymakers, regulators and standard setters to promote intra-firm comparability so that companies can start evaluating their performance (to satisfy different stakeholders' requirements), meeting sustainability targets and adopting a long-term view that focuses on sustainable and transformative impacts. Therefore, intra-firm comparability has the potential to transform SR into an accountability tool that encourages managers to deeply embed sustainability practices in their organisations and contribute to the transformation of society into a more sustainable one.

Our analysis of Facet 3 reveals that the comparability efforts of standard setters, such as the GRI, may be undermined by report preparers in two ways. Firstly, although companies claim to report on quantitative topic-specific disclosures in line with the GRI, this is not always the case (Parsa *et al.*, 2018). Our empirical example confirms Boiral and Henri's (2017) suggestion that both technical factors regarding data collection and political factors may explain this non-compliance. The "strategic managing" of the metrics is probably also caused by the fact that the GRI, in line with its accountability purpose, sometimes leaves room for discretion. More specifically, the GRI may refrain from providing strict instructions regarding which metric to calculate and how to do so or determine its scope, as the GRI views these metrics as subject to social construction with relevant stakeholders. However, leaving too much discretion may open the door to obfuscation attempts (Cho *et al.*, 2010; Christensen *et al.*, 2021). Secondly, regarding the comparability of qualitative disclosures, the content of the MA disclosures associated with some topics was rather boilerplate and, thus, not informative. Therefore, it may be important to avoid setting qualitative reporting requirements that are not specific enough, as firms with weak incentives to report meaningful sustainability information may opt for boilerplate language (Christensen *et al.*, 2021).

Our critical reflection on Facet 3 points to a trade-off between imposing strict disclosure requirements to foster comparability and providing navigation space (in line with the accountability purpose) to integrate stakeholders' views in the operationalisation of the metrics and the content of the qualitative information provided. Relatedly, if policymakers and standard setters want to ensure that the information needs of users who want to use the disclosures for accountability purposes are fulfilled, they will have to go further in reflecting how they can better embed impact materiality in their disclosure requirements. As it is not possible to quantify all sustainability impacts, we suggest that policymakers and standard setters more clearly emphasise the requirements regarding the provision of qualitative information and of contextual information accompanying some quantitative metrics. In fact, we believe that the sustainability context principle as suggested by the GRI may not only be helpful in determining which items are material but can also be extended to require companies to put the metrics in the proper context and, thus, facilitate their comparison.

Although assurance providers have an important role to play in improving comparability, they may not (yet) fulfil this role. By being stricter about acceptable deviations from the reporting standards and perhaps more importantly, by being more open regarding the deviations that they have tolerated (Boiral *et al.*, 2019), assurance providers may enhance comparability. In fact, if they remain tolerant and silent about significant deviations from the reporting standards used, assurance providers may legitimise impression management attempts.

As we hope that the comparability principle included in the standards and regulations will be revised in such a way that it will contribute to turning SR into a long-term managerial tool for deeply embedding sustainability practices in organisations, we propose two avenues for future research. Firstly, future researchers could hold focus group discussions with both SR managers and non-financial stakeholders to gain a better understanding about the challenges they face concerning comparability in SR. Secondly, it may also be informative to consult auditors to obtain knowledge of possible interplays among comparability, verifiability and accuracy.

Notes

1. The banks used in our empirical animation have prepared their sustainability reports in accordance with GRI Standards 2016, available here: www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/
2. While the literature sometimes labels the GRI approach as double materiality (Adams and Abhayawansa, 2022), the GRI has recently started to emphasise its impact materiality approach (Abhayawansa, 2022; Cooper and Michelon, 2022; GRI Foundation, 2021).
3. All appendices serving as empirical animation in our viewpoint are available as supplementary material to the study.

4. Although both banks claim to produce their reports in accordance with the GRI, their materiality analysis illustrates that they went beyond the materiality assessment prescribed by the GRI: the axes of their materiality matrix refer to the importance for their stakeholders and for their business.

5. See [Draft] ESRS 1 General requirements, published on November, 15th, 2022, retrieved from www.efrag.org/lab6#subtitle4

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Appendix 1

NFRD's requirements	Detailed disclosure topics provided by SASB Standard for commercial banks	Detailed GRI disclosure topics mobilized by *both* banks following their materiality analysis[a]
Environmental matters	–	Materials Energy Emissions Effluents and waste Environmental compliance
Social and employee matters	–	Employment Training and education
Anti-corruption and bribery matters	Business ethics	Anti-corruption
Human rights	–	–
Diversity on the board	–	Diversity and equal opportunity
Items going boing the NFRD requirements	Data security Systemic risk management Financial inclusion and capacity building Incorporation of ESG in credit analysis	Marketing and labelling Customer privacy Economic performance Anti-competitive behaviour Products portfoliob

Notes: [a]Both banks linked GRI disclosure topic labels to their material items. This column reports the GRI disclosure topics both banks link to at least one of their material items. It is important to acknowledge that both banks also had material items that were not represented by a GRI disclosure topic and that there were also some GRI disclosure topics that were only discussed by one bank, [b]This is a topic that was included in the Specific Sector Guide-G4 version. Otherwise, the bank used the GRI Standards (2016)
Source: Created by the authors

Table A1. Mobilizing reporting standards results in more detailed disclosure topics within and beyond the NFRD requirements

Appendix 2

Table A2.
Inter-firm comparability of CREDEM and BPER in 2018

Panels Material topics	Panel A Common GRI topic-specific disclosures for both banks in 2018	Panel B Extra GRI topic-specific disclosures by CREDEM	Panel C Extra GRI topic-specific disclosures by BPER
Materials	301-1	–	301-2
Energy	302-1; 302-3; 302-4;	302-2	–
Emissions	305-1; 305-2; 305-3; 305-4	305-6; 305-7	305-5
Effluents and waste	306-2	–	–
Environmental compliance	307-1	–	–
Employment	401-1; 401-2; 401-3	–	–
Training and education	404-1; 404-3	–	404-2
Anti-corruption	205-1; 205-3	205-2	
Diversity and equal opportunity	405-1	–	405-2
Marketing and labelling	417-1	–	417-2; 417-3 ex FS[a]-15; ex FS-16
Customer privacy	418-1	–	–
Economic performance	201-1	–	201-3
Anti-competitive behaviour	206-1	–	–
Products portfolio	FS[a]-7, FS-8	–	FS-6

Notes: [a]FS refers to the Specific Sector Guide-G4 version. Otherwise, the bank used the GRI Standards (2016)
Source: Created by the authors

Appendix 3

Panels Material topics	Panel A Common GRI topic-specific disclosures for both banks in 2019	Panel B Extra GRI topic-specific disclosures by CREDEM	Panel C Extra GRI topic-specific disclosures by BPER
Materials	301-1	–	301-2
Energy	302-1; 302-3; 302-4;	302-2	–
Emissions	305-1; 305-2; 305-3; 305-4	305-6; 305-7	305-5
Effluents and waste	306-2	–	–
Environmental compliance	307-1	–	–
Employment	401-1; 401-2; 401-3	–	–
Training and education	404-1; 404-3	–	404-2
Anti-corruption	205-3		205-1
Diversity and equal opportunity	405-1	–	405-2
Marketing and labelling	417-1, 417-3	–	417-2 ex FS[a]-15; ex FS-16
Customer privacy	418-1	–	–
Economic performance	201-1	–	201-2; 201-3
Anti-competitive behaviour	206-1	–	–
Products portfolio	FS[a]-7, FS-8	–	FS-6

Notes: [a]FS refers to the Specific Sector Guide-G4 version. Otherwise, the bank used the GRI Standards (2016)
Source: Created by the authors

Table A3. Inter-firm comparability of CREDEM and BPER in 2019

Appendix 4

Panels Material topics	Panel A Common GRI topic-specific disclosures for both banks in 2020	Panel B Extra GRI topic-specific disclosures by CREDEM	Panel C Extra GRI topic-specific disclosures by BPER
Materials	301-1		301-2
Energy	302-1; 302-3; 302-4;	302-2	–
Emissions	305-1; 305-2; 305-3; 305-4; 305-5;	305-6; 305-7	–
Effluents and Waste	306-2	–	–
Environmental compliance	307-1	–	–
Employment	401-1; 401-2; 401-3;	–	–
Training and education	404-1; 404-3	–	404-2
Anti-corruption	205-3	–	205-1
Diversity and equal opportunity	405-1	–	405-2
Marketing and labelling	417-1; 417-3	–	417-2
Customer privacy	418-1	–	–
Economic performance	201-1	–	201-2; 201-3
Anti-competitive behaviour	206-1	–	–
Products portfolio	FS[b]-7, FS-8	–	FS[a]-6
Occupational health and safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9	–	403-8; 403-10

Notes: [a]FS refers to the Specific Sector Guide-G4 version. Otherwise, the bank used the GRI Standards (2016); [b]FS-7 and FS-8 are still present in CREDEM's report but are no longer labelled as such
Source: Created by the authors

Table A4. Inter-firm comparability of CREDEM and BPER in 2020

Appendix 5

Topic	Examples	Year	Report	Page
Economic performance	Above market loan growth: +9.8% y/y compared to the +3.9% of the market	2020	CREDEM, Consolidated Non-Financial Statement 2020	77
Economic performance	The European Central Bank has recognised us as the least risky commercial bank in Europe	2019	CREDEM, Consolidated Non-Financial Statement 2019	7
Economic performance	An operation of extraordinary strategic value that will allow BPER to become the third Italian Group for number of branches and total collection, acquiring 1.4 million new customers	2020	BPER, Sustainability Report 2020	19
Environmental – water	Also confirmed by the comparison with the data collected by the ABI Lab Consortium, which shows significantly lower consumption compared to the average of the banking sector	2020	CREDEM, Consolidated Non-Financial Statement 2020	28
Social – employment	BPER Banca also confirms for 2021 the “Top Employer Italia” certification for 2020 data: this is attested by the Top Employers Institute which every year identifies companies that offer excellent working conditions to their staff, identify and develop the best talents and constantly strive to optimise their management and organizational processes	2020	BPER, Sustainability Report 2020	118
Social – diversity and equal opportunity	BPER Banca continues to be an ordinary member of “Valore D”, the first association of large corporations in Italy created to support female leadership in business	2020	BPER, Sustainability Report 2020	116

Source: Created by the authors

Table A5. Examples of benchmark analysis of both CREDEM and BPER (2019 and 2020)

Appendix 6

Table A6. Intra-firm comparability of CREDEM over three years (2018, 2019 and 2020)

Panels / Material topics	Panel A Common GRI topic-specific disclosures	Panel B Extra GRI topic-specific disclosures by CREDEM in 2018	Panel C Extra GRI topic-specific disclosures by CREDEM in 2019	Panel D Extra GRI topic-specific disclosures by CREDEM in 2020
Materials	301-1	–	–	–
Energy	302-1; 302-2; 302-3; 302-4	–	–	–
Emissions	305-1; 305-2; 305-3; 305-4; 305-6; 305-7	–	–	–
Effluents and waste	306-2	–	–	–
Environmental compliance	307-1	–	–	–
Employment	401-1; 401-2; 401-3	–	–	–
Training and education	404-1; 404-3	–	–	–
Anti-corruption	205-3	205-1; 205-2	–	–
Diversity and equal opportunities	405-1	–	–	–
Marketing and labelling	417-1	–	417-3	417-3
Customer privacy	418-1	–	–	–
Economic performance	201-1	–	–	–
Anti-competitive behaviour	206-1	–	–	–
Products portfolio[a]	FS-7; FS-8	–	–	–
Occupational health and safety	–	403-1	–	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9
Non-discrimination[b]	406-1	–	–	–

Notes: [a]FS-7 and FS-8 are still present in CREDEM's 2020 report but are no longer labelled as such; [b]Although non-discrimination was not presented as a material item in 2019, such information was disclosed
Source: Created by the authors

Appendix 7

Panels	Panel A	Panel B	Panel C	Panel D
Material topics	Common GRI topic-specific disclosures	Extra GRI topic-specific disclosures by BPER in 2018	Extra GRI topic-specific disclosures by BPER in 2019	Extra GRI topic-specific disclosures by BPER in 2020
Materials	301-1; 301-2;	–	–	–
Energy	302-1; 302-3; 302-4;	–	–	–
Emissions	305-1; 305-2; 305-3; 305-4; 305-5;	–	–	–
Effluents and waste	306-2	–	–	–
Environmental compliance	307-1	–	–	–
Employment	401-1; 401-2; 401-3;	–	–	–
Training and education	404-1; 404-2; 404-3	–	–	–
Anti-corruption	205-1; 205-3;	–	–	–
Diversity and equal opportunities	405-1; 405-2	–	–	–
Marketing and labelling	417-1; 417-2; 417-3; ex FS[1]-15; ex FS-16	–	–	–
Customer privacy	418-1	–	–	–
Economic performance	201-1; 201-3	–	201-2	201-2
Anti-competitive behaviour	206-1	–	–	–
Products portfolio	FS-6; FS-7; FS-8	–	–	–
Occupational health and safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8; 403-9; 403-10	–	–	–
Socioeconomic compliance	419-1	–	–	–
Public policy	–	–	415-1	415-1
Market presence	202-1	–	–	–
Local communities	413-2, FS 14	–	–	–
Procurement practices	204-1	–	–	–
Tax	–	–	207-1; 2017-2; 2017-3	207-1; 2017-2; 2017-3;207-4
Labour/ management relations	402-1	–	–	–

Source: Created by the authors

Table A7. Intra-firm comparability of BPER over three years (2018, 2019 and 2020)

Appendix 8

Table A8.
Examples of intra-firm comparability of both CREDEM and BPER (2019 and 2020)

Topic	Examples	Year	Report	Page
Economic performance	In 2020, the composition of the Group's ESG portfolio amounted to EUR 1,566.6 M, equal to 5.6% of the total and a growth of 121% compared to 2019	2020	CREDEM, Consolidated Non-Financial Statement 2020	92
Economic performance	The economic value generated in 2020 is slightly higher than in 2019, influenced by higher adjustments to credits as a result of the worsening macroeconomic environment caused by the COVID-19 health emergency, against which there was good growth in revenues, in particular interest margin and net commission income	2020	BPER, Sustainability Report 2020	61
Environmental - emissions	Consequently, compared to 2019, the following reductions in CO2eq emissions were recorded: −29.4% Scope 1 emissions (compared to a 2020 target of −9%) attributable to the enhancement of remote working and the rationalisation of the physical sales network (with impacts on the consumption of buildings)	2020	CREDEM, Consolidated Non-Financial Statement 2020	48
Environmental - emissions	While carpooling made it possible to avoid the emission of approximately 10 *t* of CO_2 into the atmosphere in 2019, nonetheless 6.4 *t* of CO_2 were spared in 2020	2020	BPER, Sustainability Report 2020	142
Social -diversity and equal opportunity	Development of potential: the percentage of female talent increased by 0.9% compared to 2018, a segment to which the company devotes particular attention and investment	2019	CREDEM, Consolidated Non-Financial Statement 2019	71
Social -training and education	In 2020, over 560,000 h of staff training were provided, a decreasing trend compared to previous years	2020	BPER, Sustainability Report 2020	110

Source: Created by the authors

Appendix 9

GRI topic-specific disclosure – disclosure requirements	CREDEM	BPER
302-4 Reduction of energy consumption a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives in joules or multiples b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, all c. Basis for calculating reductions in energy consumption, such as base year of baseline, including the rationale for choosing it d. Standards, methodologies, assumptions and/or calculation tools used Compilation requirements: 2.7. When compiling the information specified in Disclosure 302-4, the reporting organization shall: 2.7.1. exclude reductions resulting from reduced productivity capacity or outsourcing 2.7.2. describe whether energy reduction is estimated, modelled or sourced from direct measurements. If estimation or modelling is used, the organization shall disclose the methods used.	2018: *Some requirements are met* –Requirement *a* is met –Requirement *b* is indirectly met as they detail the energy efficiency measures, but some like restructuring are difficult to understand –Requirement *c* is not met –Requirement *d*: some information is provided, but not enough to understand how they have calculated it –It is unclear whether requirement 2.7.1. is met –Requirement 2.7.2. is partially met as the estimation methods used are not disclosed 2019: *The disclosure approach is the same as in 2018*	2018: *Requirements are not met* –Requirement *a* is not fully met because we do not know for sure that the reduction provided is coming from energy consumption measures and not from for instance outsourcing (requirement 2.7.1). No indication of the reduction per initiative –Requirement *b* is not met as no such details are provided –Requirement *c* is not met. Vague reference to 2015 as baseline but no rationale provided for choosing it –Requirement *d* is not met –Requirement 2.7.1 is not met –Requirement 2.7.2 is not met 2019: *The disclosure approach is the same as in 2018,* except for one minor difference. In 2019, there is no reference any more to any possible baseline
	2020: *The disclosure approach is the same as in 2018 and 2019* As they do not indicate any particular impact of COVID-19, requirement 2.7.1. is not met	2020: *The disclosure approach is the same as in 2019* They recognize that the decrease in consumption is caused by the pandemic period, but they do not indicate to which extent

Source: Created by the authors

Table A9. Comparing “302-4 reduction of energy consumption” against the GRI disclosure requirements

Appendix 10

GRI topic-specific disclosure – disclosure requirements	CREDEM	BPER
302-3 Energy intensity Requirements: a. Energy intensity ratio for the organization b. Organization-specific metric (the denominator) chosen to calculate the ratio c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all d. Whether the ratio uses energy consumption within the organization, outside of it, or both Compilation requirements: 2.5. When compiling the information specified in Disclosure 302–3, the reporting organization shall: 2.5.1. calculate the ratio by dividing the absolute energy consumption (the numerator) by the organization-specific metric (the denominator) 2.5.2. if reporting an intensity ratio for the energy consumed within the organization and outside of it, report these intensity ratios separately	2018: Requirements fulfilled Numerator: Total energy consumption of building (in GJ) Denominator: Number of persons for one of the ratios and surface area for the other (in squared meter) Remarks: –While 302-1 consists of two components: total energy consumption of buildings and total energy consumption of company vehicles only the first has been included – this choice was not explained –Some detail on the calculation method is provided. They note that in function of the significant changes in real estate, the surface area used in the calculation has been weighted in relation to "the actual possession (or use) of the building, considering new acquisitions, new leases, and the handover of buildings at the end of existing lease during the year." (p. 105) –For the purposes of the energy intensity calculation, some agents, financial advisors and salary-backed loan agents have also been considered as, "although they operate independently on behalf of the Group, they nonetheless regularly occupy the spaces assigned to them" (p. 105) 2019: *The disclosure approach is the same as in 2018* 2020: *The disclosure approach is the same as in 2018 and 2019, with the exception* that now all external collaborators are considered in the calculations	2018: Requirements fulfilled Numerator: Total energy consumption including consumption of company vehicles (in GJ) Denominator: Number of employees for one of the ratios and surface area for the other (in squared meter) Remarks: –Numerator includes all components of 302-1 –Gross sqm of BPER Group's properties was used –The number of employees as at 31 December 2018 was used 2019 *The disclosure approach is the same as in 2018* 2020: *The disclosure approach is the same as in 2018 and 2019, with the exception that* more attention is devoted to training in an online environment because of COVID-19

Source: Created by the authors

Table A10.
Comparing "302–3 energy intensity disclosures" against the GRI disclosure requirements

Appendix 11

Management approach (MA)	CREDEM	BPER
A. An explanation of how the organization manages the topic B. A statement of the purpose of the MA (to avoid, mitigate, remediate negative impacts or to enhance positive impacts) C. A description of the following if the management approach includes that component: i. Policies ii. Commitments iii. Goals and targets iv. Responsibilities v. Resources vi. Grievance mechanisms vii. Specific actions, such as processes, projects, programs and initiatives	2018 A. Indirectly: information on the Advanced Skills Model B. Indirectly. The company states that through its training it furthers the acquisition of skills and development of behaviour. It also states that the purpose of training can be to improve employee welfare C. i. not reported upon ii. not reported upon iii. not reported upon iv. not reported upon v. they report how much they spend in EUR on training vi. not reported upon vii. details on trainings and specific programs and projects provided	2018 A. Indirectly: information on the fact that the training was provided in accordance with the strategic guidelines of the business plan Information on the fact that the Training Office identifies education and training requirements, that the analysis of the training needs then determines which trainings are offered and that colleagues then can choose their annual training programme which is then shared with the Head of the Organizational Unit to which they belong Performance management process is clearly explained B. Indirectly. The company states that through its training it intends to update the technical knowledge and develop the managerial skills of employees and to support change projects C. i. not reported upon ii. not reported upon iii. not reported upon in the text in which the MA disclosure is provided. Yet, in the objectives section they mention strengthening activities for the development of managerial skills as an objective iv. not reported upon v. not reported upon vi. not reported upon vii. details on trainings and specific programs and projects provided Note on vii: text referring to 404–2 Programs for upgrading employees' skills and transition assistance programmes is also part of the MA
	2019 *Disclosure approach same as in 2018*	2019 *Disclosure approach same as in 2019 except for one minor change.* In the objectives section they now mention the following objective "To Launch the "Exempla" management development/growth project: involving at least 45% of the female population"
	2020 *Disclosure approach same as in 2018 and 2019*, impact of COVID-19 not discussed	2020 *Disclosure approach same as in 2019*

Source: Created by the authors

Table A11. Comparing "MA training and education" against the GRI disclosure requirements

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