Master's Thesis

Value Creation Through SDG Reporting

An Empirical Study of the Value of SDG Reporting in the Nordic Region

Author
Niclas Dahl Møller

Supervisor
Caroline Aggestam Pontoppidan

Study Programme
MSc in Business Administration & Auditing
(cand.merc.aud.)

Student Number
101637

Copenhagen
Business School

15 May 2020

Pages: 80
Normal Pages: 78
Characters: 177,831

CBS
COPENHAGEN
BUSINESS SCHOOL
HANDELSHØJSKOLEN

Abstract

The purpose of this study has been to analyse the potential of corporate SDG reporting to create value for Nordic companies and societies. By exploring current reporting practices of actors in the region, the study also aims to assess how the value of observed disclosures on the SDGs can be improved in order to foster the collective creation of shared value.

Through a content analysis of the present SDG reporting of 50 Nordic companies, the study initially explores the patterns of recent disclosures, i.e. by investigating how companies are presently reporting on SDG priorities. Subsequently, a comparison has been made between these focus areas and the elicited national priorities for the SDGs within the Nordic societies. Building on this analysis, the study moves on to examine how relevant societal parties are perceiving the value of current SDG reporting. Based on 12 interviews with a broad spectrum of SDG stakeholders in Denmark, the study outlines the types of value offered by corporate reporting on the goals and the prevailing stakeholder expectations to the phenomenon.

In general terms, the study finds the SDG reporting of Nordic companies to largely deviate from national agendas, and that the value of current disclosures is perceived as inadequate and of a principally low quality. However, the study also finds that SDG reporting holds great potential to create value through various strategy and reporting aspects. Hence, this study develops ten distinct recommendations regarding comparability, reliability, materiality and impact, which aim to holistically improve the value of present SDG reporting in the Nordics.

Keywords:

Creating Shared Value, Nordic Societies, SDG Reporting, Sustainability, Voluntary Reporting.

Reference:

Møller. N. D. (2020), *Value Creation Through SDG Reporting: An Empirical Study of the Value of SDG Reporting in the Nordic Region* (Master’s Thesis, Copenhagen Business School, Denmark).

Acknowledgements

I wish to express my deepest gratitude to all people whose assistance have enabled the completion of this Master's Thesis. A special thank you should be given to my supervisor Caroline Aggestam Pontoppidan for her feedback and constructive criticism throughout the process of concluding the report. I am also greatly thankful to all the respondents, who have allocated time to share their thoughts and experiences on the topic during the conduction of the interviews. Finally, I would like to thank my dear friend Therese Hald Boesen from the Royal Danish Academy of Fine Arts, School of Design for her kindness to help me finalise the layout of the report as well as offering me moral support over the past six months.

Copenhagen, 15 May 2020

Niclas Dahl Møller

CBS COPENHAGEN BUSINESS SCHOOL HANDELSHØJSKOLEN

Table of Content

Figures & Tables

Figures

Tables

List of Abbreviations

CSR	Corporate Social Responsibility
CSV	Creating Shared Value
DFSA	Danish Financial Statements Act (“Årsregnskabsloven”)
ESG	Environmental, Social and Governance
EU	European Union
FSR	Foreningen for Statsautoriserede Revisorer
GRI	Global Reporting Initiative
ISO	International Organisation for Standardisation
KPI	Key Performance Indicator
MDGs	Millennium Development Goals
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-Operation and Development
SDGs	Sustainable Development Goals
SDGD	Sustainable Development Goals Disclosure
UN	United Nations
UNDP	United Nations Development Programme
UNGC	United Nations Global Compact
UN DESA	United Nations Department for Economic and Social Affairs
VNR	Voluntary National Review
WBCSD	World Business Council for Sustainable Development
WEF	World Economic Forum
WWF	World Wildlife Fund

1. Introduction

The 17 Sustainable Development Goals were introduced by the United Nations in 2015 as an unprecedented series of aspirations paving the way for a more sustainable global future. To transform the world for the better, the implementation of the SDGs relies on efforts from actors across society, including businesses and the private sector (United Nations, 2015a). However, engaging with the SDGs is still voluntary for companies, who currently display highly individualised practices for internalising the goals into corporate strategy and annual reporting. A global analysis by PwC (2019) estimates that 72% of publicly listed firms are including the SDGs in annual disclosures and that 14% of these list specific SDG priorities.

According to internationally recognised SDG progress reports, the Nordic societies are seen as global top performers in relation to the implementation of the global goals (OECD, 2019). Yet, these countries still face major challenges on several of the SDGs (Sachs et al., 2019), which has caused the current Nordic strategy for sustainable development to be altered in order to integrate explicit linkages to the SDG targets (Nordic Council of Ministers, 2019). As the Nordic countries specifically aim to increase knowledge sharing on the global goals (Nordic Council of Ministers, 2017a) the current potential for Nordic private sector entities to engage with communication and reporting on the SDGs has arguably never been greater.

Through the EU Directive 2014/95/EU, contracting states have sought to institutionalise non-financial reporting into national legislation, although specific disclosures on the SDGs are still not mandatory in the Nordics. However, corporate SDG reporting is increasingly being put on the business agenda, e.g. by the Danish NGO of FSR – danske revisorer, which has included the quality of SDG reporting as a distinctive criterion for the prestigious award of 'CSR Prisen' since 2017 (FSR – danske revisorer, 2017). These developments have thereby sparked the debate on how companies are to adequately report on global goals, as well as how national societies are to interpret and define domestic SDG priorities (Vores Mål, 2020).

Throughout this report, corporate disclosures on the SDGs will be scrutinised with a focus on the perceived value being generated through this type of reporting. This has been done to examine if current SDG reporting practices are truly creating shared value for the society.

1.1. Purpose

The purpose of this report has been to firstly explore the underlying political intentions of the Agenda 2030 and the Sustainable Development Goals. As these have been adopted by individual countries through national priorities and action plans, the report then investigates how corporations in the Nordics are reporting on the SDGs as compared to these national agendas. The aim has been to analyse whether companies are prioritising SDG disclosures that reflect societal preferences in order to create shared value. With this insight, the report has used the society of Denmark as a case study to conduct a number of interviews in which relevant stakeholders express their views on the creation of value through SDG reporting.

Ultimately, this study seeks to contribute to the academic field of accounting and corporate social responsibility by reviewing the value of SDG reporting as perceived by stakeholders. Further, the report aims to act as an empirical foundation for assessing and improving the value of corporate reporting on the SDGs both in Denmark and the other Nordic countries.

1.2. Research Question

To achieve the indicated purpose of this study, the constructed research question has been devised to encompass these defined intentions in a brief and concise format. Hence, the following formulation has guided the process of developing and conducting this report.

How can corporate SDG reporting create value for Nordic companies and societies?
And how can the value of current practices be improved?

As it appears from the articulated structure, the research question can be divided into two interconnected levels regarding the value of corporate SDG reporting in the Nordic societies, and the existing potential for future improvements of procedures. These underlying aspects have then been further defragmented and concretised through five distinctive objectives of the research, which collectively seek to contain the overall research question of the report.

1.2.1. Research Objectives

From the research question, the report has determined the following research objectives:

1. *What are the societal SDG priorities as expressed by the national governments and the regional political collaboration among the Nordic societies?*
2. *How are Nordic companies currently reporting on SDGs in corporate disclosures?*
3. *What type of value is perceived by stakeholders to be created through SDG reporting in the Nordic societies?*
4. *Does an expectation gap exist between the value demanded by the Nordic societies and the current value of corporate disclosures on the SDGs in the region?*
5. *How can the value creation of Nordic SDG reporting be improved in the future?*

1.2.2. Relevant Terminology

Creating Shared Value

Refers to the framework for creating economic value whilst addressing societal needs and challenges, as originally coined in the Harvard Business Review by Porter & Kramer (2006).

Expectation Gap

Refers to the potential discrepancy between the currently perceived value of SDG reporting, and the value expected from SDG disclosures as expressed by societal stakeholders.

SDG Reporting

Refers to content of both quantitative and qualitative nature concerning the 17 Sustainable Development Goals as indicated in annual reports, integrated reports or CSR reports.

The Nordic Societies

Refers to the countries of Denmark, Sweden, Norway, Finland and Iceland, excluding the self-governing Nordic territories of Greenland, the Faroe Islands and the Åland Islands.

1.3. Scope and Delimitation

As this report has been prepared as a Master's Thesis at the Copenhagen Business School, it is noted that restrictions have applied with respect to the timing, format and general scope of the report as stipulated by the official guidelines for dissertations from the institution.

One of the primary delimiting factors has been the geographical scope of the empirical data collected for the report. Firstly, a choice was made to gather information on SDG reporting in all the Nordic countries to capture both multinational, regional and national tendencies. However, for the conduction of qualitative interviews, the overall scope and accessibility has purely allowed empirical information to be attained from societal actors in Denmark, thus delimiting the ability make broader international generalisations for the findings of this report.

For the performed content analysis of the report, it is noted that only SDG disclosures from publicly listed countries with high-level revenue streams have been considered. Further, the report has only registered disclosures presented in annual reports and/or CSR reports for the latest reporting year of companies, thus limiting the potential to analyse findings across time, sectors and company sizes. Furthermore, the analysis mainly refers to the concept of CSV as understood through Nordic VNRs and SDG action plans. Hence, it may be argued that such a relative theoretical term should be interpreted according to alternative schemes.

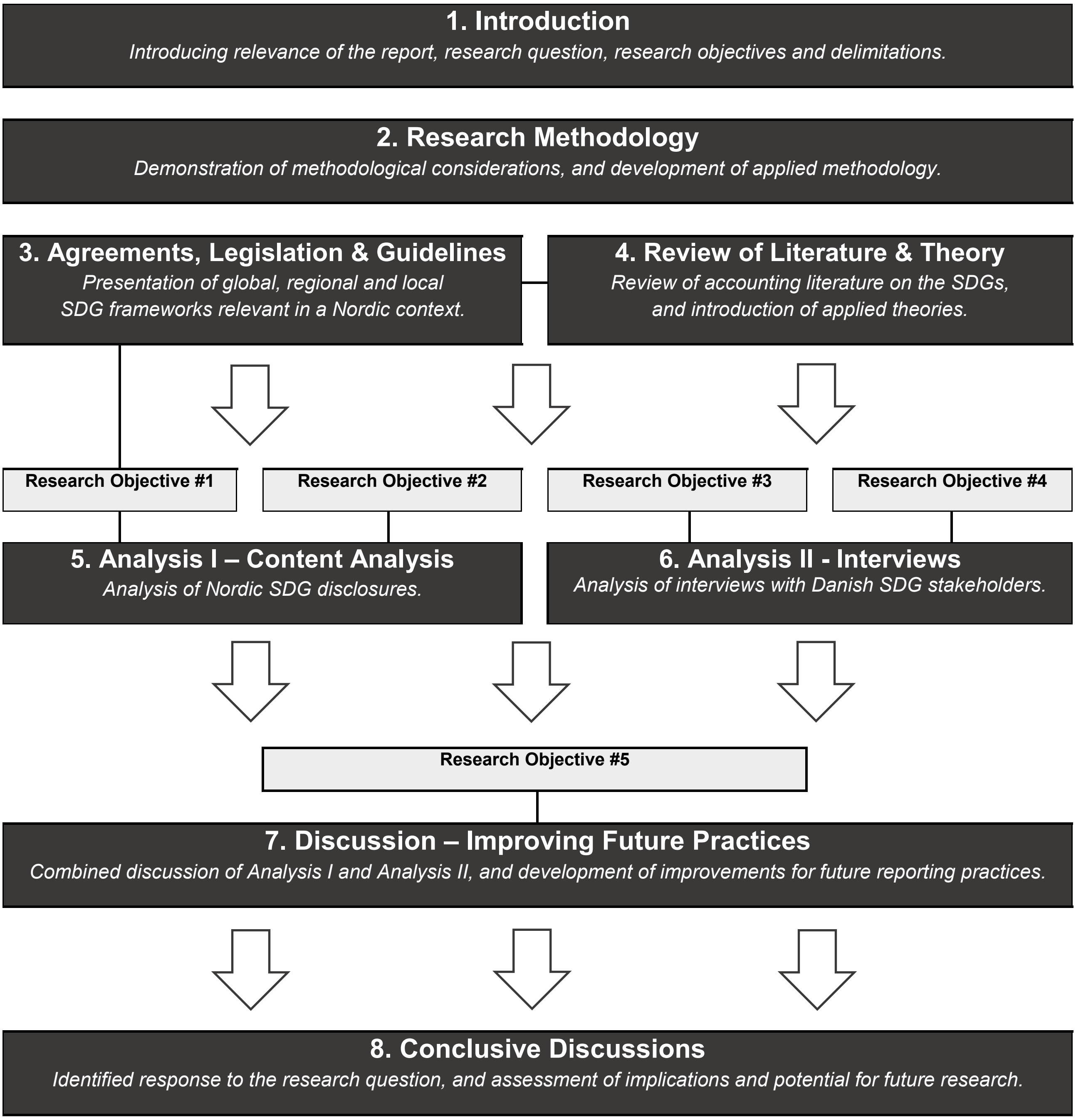
As mentioned above, the qualitative interviews of this report have only been conducted with representatives from the society of Denmark. With a mission to reflect the diverse group of actors influenced by the Agenda 2030, the scope of the interviews has been further delimited as only 1-4 stakeholders have been sampled from each selected societal sub-group. It is, however, noted that this does not substantively harm the qualitative findings, as the applied methodology highlights the value of endorsing individual experiences. Yet, it is stressed that the conducted interviews are very thematically focused and relatively short in duration.

Finally, the report generally assumes a degree of prior knowledge from the reader regarding basic accounting, CSR and corporate reporting as fundamental concepts will not be defined.

1.4. Disposition

The following disposition shows the cohesion of sections of this report. It is also illustrated how the study has been operationalised, i.e. via the display of the important relation between research question and the methodological, theoretical and empirical stances of the report.

Figure A: Disposition of Report



Source: Own creation.

2. Research Methodology

The following section provides an account for the considerations and challenges associated with the methodological framework chosen for this report. Hence, particular attention is given to the linkage to the overall research objective, as a review is conducted for the underlying background, development and employment of the selected methodology of this report.

2.1. Methodological Choices

2.1.1. Research Philosophy

The ontological position, upon which this report has been based, is influenced by the ideas of constructivism. Since the focus of the report is the process of value creation via SDG reporting, this approach has guided the research, as the primary aim has not been to define the phenomenon, but rather to investigate its creation in a given context (Egholm, 2014).

Specifically, social constructivism has been the epistemological paradigm used in the report. Ideas developed though this philosophy rely on the ‘social realities’ determined by people and the personal sense they make of different situations (Easterby-Smith et al., 2015). This view has thus formed the study, as constructions derived from both collective and individual perceptions have been appreciated in the report. Following the epistemology, the study does not draw conclusions unaffected by beliefs, but instead it is acknowledged that gathered data is under the influence of changing conditions such as time and place (Egholm, 2014).

2.1.2. Research Approach

When theorising collected data, the report relies on an inductive research approach. This implies that conclusions have been derived, adjusted and redefined on an ongoing basis throughout the process of reviewing the empirical data of the report (Bryman, 2012). As the aim of the inductive approach is to generate new theory consistent with identified results, this methodology has been chosen to support the normative standpoint of the report which seeks to suggest new explanations and improvements for the researched phenomenon. Hence, the report is essentially an explorative study which does not rely on any predefined hypotheses, thus following a frequent pattern of mainly qualitative studies (Gibbs, 2007).

2.1.3. Research Design

Due to the intrinsic reliance on personal perceptions in social constructivist research, this report is designed to make inferences primarily anchored to qualitative data. Therefore, the primary empirical source of data has resulted from the conduction of a series of 12 interviews as recommended for research within the epistemology (Easterby-Smith et al., 2015). This technique leverages an improved analytical ability to exercise theory building and thereby understand mechanisms of qualitative causality (Bryman, 2012). Therefore, the analysis of this report is focused on the perceptions of value creation as indicated in these interviews.

However, the report is also designed to use quantified data as a secondary empirical source to both challenge and support identified qualitative claims. Although quantitative research is traditionally more associated with positivistic and deductive studies (Saunders et al., 2019), this report is inspired by Russo-Spena et al. (2018), as it relies upon a version of content analysis which aims to quantify both quantitative and qualitative data of the disclosed SDG reporting from 50 Nordic firms. The goal is thereby to explore the existing reporting practices, thus outlining the constructivist context from which conclusions are drawn (Egholm, 2014).

As the research design of this report is comprised of both a content analysis and the analysis of interviews, the methodological form is also characterised as a mixed methods research. Through a sequential mixed methods strategy, the content analysis was performed ahead of the interview process which allows empirical perspectives to be collectively integrated in the analysis of the report (Saunders et al., 2019). This mechanism is also referred to as triangulation, which is a common tool in constructivist research (Easterby-Smith et al., 2015).

2.2. Content Analysis

In support of this mainly qualitative study, a descriptive content analysis has been performed on the SDG reporting of 50 Nordic companies. As inspired by Venturelli et al. (2019), the study thus considers any corporate disclosures on the SDGs, regardless whether these are placed in the annual report, CSR report or equivalent. Ultimately, the aim of the conducted content analysis has been to reveal underlying aspects of the social constructions explored later in this report (Bryman, 2012) and thereby to allow an interdisciplinary analysis and discussion to be conducted, as quantitative and qualitative findings are holistically reviewed.

The sampled subjects include the 10 largest listed corporations in the five Nordic countries as measured by operating revenue in the latest available financial year, cf. Appendix A. These large-scale companies have been sampled, as it may be assumed that such firms are more likely to hold the capacity be engaging with SDG disclosures. Combined with a higher degree of exposure to societal pressures, the sampling of these corporations thus enhances the ability of the content analysis to explore the research question of this report. Finally, it is also noted that companies have been sampled from all the five Nordic countries in order to allow both national and cross-country comparisons of SDG reporting practices.

With an overall aim to explore the creation of shared value though SDG disclosures, the analysis compares identified corporate practices with the national SDG agendas as stated in Nordic VNRs and domestic SDG action plans. For this purpose, each national agenda has been translated into concrete SDG priorities as derived from the explicit local emphasis on certain goals. Hence, the findings of the content analysis are thus able to compare the observed value of corporate SDG reporting with the value sought by the Nordic societies.

2.2.1. Coding Template

Following the approach of Venturelli et al. (2019), a descriptive coding template has been utilised as a checklist for the examination of the content of the sampled SDG reporting. As shown in Appendix B, this template thus includes a series of developed content variables which have been uniformly applied to the reviewed data. In practice, observed occurrences in alignment with a variable are thereby indicated as “1”, whilst absence is indicated as “0”. Hence, no particular attention is given to the relative ‘type’ or ‘degree’ of an occurrence, as the focus has been distinctly oriented towards whether a given variable is present or not.

The variables of the coding template have been divided into two structural categories. Firstly, it is considered whether the individual SDGs are included in the corporate reporting, as done by Venturelli et al. (2019). In cases where firms prioritise among the goals, it has only been primarily prioritised SDG which have been recorded in the template, as this is deemed most relevant vis-à-vis the research objectives of this report. Secondly, five separate parameters have been developed for the quality and format of the SDG reporting, which have been inspired by recommendations of SDG reporting frameworks, as presented later in this report.

2.3. Interviews

2.3.1. Selection of Interview Format

Due to the complexity of the research topic of this report, it has been decided that interviews should be conducted with field experts within CSR and non-financial reporting. According to Kvale & Brinkmann (2015), such 'elite interviews' require the interviewer to be well-informed and structured in order to challenge the complex views of experienced professionals. Hence, a semi-structured interviewing approach has been chosen to leverage predefined guidelines for the progression and content of the interview. The fluidity of the approach, however, still allows adaptive and genuine access to the worldviews of the respondents (Bryman, 2012).

For this report, interviews have been conducted both physically and via telephone/e-mail, although priority has been given to face-to-face interviews in order to capture the value of verbal and non-verbal communication. To enable transcription, all respondents have consented to the interviews being digitally recorded, which also allowed increased attention to be given to content and dynamics during the interview process (Kvale & Brinkmann, 2015).[1]

2.3.2. Moderator Guide & Interview Guide

To support the semi-structured interview approach, a moderator guide and interview guide have been created by revisiting the research question and theoretical frameworks of this report (Easterby-Smith et al., 2015). These sections have thus been linked in the developed moderator guide from which a simplified interview guide has been derived in Appendix C-D. A composition of six open-ended main questions and three closed supporting questions was developed to explore both relative and absolute opinions of the respondents. However, a primarily open approach has been prioritised to allow respondents the flexibility to freely emphasise particular areas of the research in which they hold specific or personal knowhow.

The same interview guide has been used for all sampled interviewees to secure uniformity and comparability. Moreover, respondents received the interview guide in advance, in order to promote the quality and credibility of the data collection (Saunders et al., 2019). Finally, the interview guide has been pilot tested with the first respondent, who did not express any need for alterations to the flow nor content. Hence, the initial schedule has been sustained.

[1] Complete anonymisation was not requested by respondents. Full job titles are thus referred to in this report.

2.3.3. Sampling Strategy

As it appears from the research question, the explorative intentions of this report relate to SDG reporting in the context of Nordic companies and societies. Yet, as previously stated, the scope of this report has only allowed the conduction of interviews with sampled subjects from the society of Denmark. Based on this sampling approach, the extrapolated findings are thus to be interpreted as a national Danish case study representing trends of the region.

Within the country of Denmark, efforts have then been made to sample respondents which holistically reflect the variety of societal stakeholders of the Agenda 2030. An analysis has therefore been enclosed in Appendix E, which aggregates the mentioning of stakeholders as indicated in the resolution. Based on the structure of this analysis, the interviewees have been sampled to represent these identified stakeholder groups as illustrated in Table A.

Table A: Sampled Stakeholder Groups

No.	Stakeholder Group	Sampled Stakeholders	Weight
1.	Private Sector	6	50.00%
2.	Civil Society	2	16.67%
3.	Governmental Bodies	2	16.67%
4.	United Nations System	1	8.33%
5.	Academic Community	1	8.33%

As shown, specific priority is given to the sampling of stakeholders from the 'Private Sector', since this group is considered as both stakeholders and practitioners in relation to corporate reporting on the SDGs. Moreover, this group has been further split into 'Businesses' and 'Supporting Industries' in order to capture the viewpoints on the matter from both industry and professional advisors. Priority is also given to 'Civil Society' and 'Governmental Bodies' due to their high influence on the implementation, monitoring and review of SDG reporting.

Since SDG reporting is still a relatively novel phenomenon, efforts have also been made to sample interviewees with the highest level of knowledge on the matter in their respective organisation. However, with respect to sampled organisations, it also noted that a number of the contacted organisations with particular stakes in the SDGs were unable to be sampled for the purpose of this report. These include Grundfos, Carlsberg, the UNDP and others.

2.3.3.1. Group 1 – Private Sector

Six 'Private Sector' organisations have been sampled. The primary criterion for 'Businesses' has been to sample large corporations, which are listed on the Danish stock exchange and which have demonstrated strong engagement with the SDGs. For 'Supporting Industries', the main criterion has been to sample leading advisory organisations in Denmark, which possess significant competencies within both annual reporting and corporate sustainability.

Table B: Sampled Stakeholders – Private Sector (Businesses)[2]

Sampled Stakeholder	Role	Experience (yrs)	Code
Mærsk	Head of Org. Engagement & Reporting	5-10	LS
Novo Nordisk	Associate Director, Senior Advisor	15-20	AG
Novozymes	Head of Global Sustainability Services	5-10	SG
Ørsted	Sustainability Advisor	0-5	AL

Table C: Sampled Stakeholders – Private Sector (Supporting Industries)

Sampled Stakeholder	Role	Experience (yrs)	Code
Deloitte	Partner	5-10	HB
PwC	Director	15-20	JP

2.3.3.2. Group 2 – Civil Society

Two 'Civil Society' organisations have been sampled. Here, the primary criterion has been to include organisations that represent the interest of businesses in Denmark across sectors and enterprise sizes. Further, organisations have been sampled based on their professional competencies with respect to annual corporate reporting and overall interest in the SDGs.

Table D: Sampled Stakeholders – Civil Society

Sampled Stakeholder	Role	Experience (yrs)	Code
Dansk Erhverv	Head of CSR	0-5	MT
FSR – danske revisorer	Head of CSR Committee	5-10	BM

[2] Experience refers to years in current role. Many respondents also have extensive expertise from alternative positions.

2.3.3.3. Group 3 – Governmental Bodies

Two 'Governmental Bodies' have been sampled. Here, the primary criterion has been to include organisations with direct influence on the national implementation of the SDGs in the state of Denmark. Further, respondents from these organisations have been sampled on the basis of their particular knowhow and experience with sustainability in corporations.

Table E: Sampled Stakeholders – Governmental Bodies

Sampled Stakeholder	Title	Experience (yrs)	Code
Ministry of Foreign Affairs of Denmark	Team Leader	5-10	JS
The Danish Parliament	Member of Parliament (V)	20-25	KJ

2.3.3.4. Group 4 – United Nations System

One 'United Nations System' organisation has been sampled. Here, the primary criterion has been to include an organisation that represents the standpoint of the United Nations in terms of corporate reporting practices on matters related to sustainability in Denmark.

Table F: Sampled Stakeholders – United Nations System

Sampled Stakeholder	Title	Experience (yrs)	Code
Global Compact Network Denmark	Network Manager	0-5	JC

2.3.3.5. Group 5 – Academic Community

One 'Academic Community' organisation has been sampled, Here, the primary criterion has been to include a Danish research organisation with a strong scientific community within the field of financial accounting, corporate social responsibility and non-financial reporting.

Table G: Sampled Stakeholders – Academic Community

Sampled Stakeholder	Title	Experience (yrs)	Code
Copenhagen Business School	Associate Professor	10-15	MT

2.3.4. Transcription

Using the obtained audio files of the recorded interviews, each interview has been transformed into verbatim transcripts allowing the reproduction of the actual words spoken, using standard punctuation (Saunders et al., 2019). The main reason for engaging in full interview transcriptions has been the enablement of thorough examination of the data and the ability to avoid the natural limitations in memory- and note-based reproductions (Bryman, 2012).

In order to uphold reliability and accuracy (Richards, 2009), all interviews conducted for this report have been transcribed by the author. This has been done to limit possible interpretation discrepancies of multiple transcribers. Further, this has also allowed the author to learn from the used interviewing technique and to improve this over the course of the process, as interviews have been transcribed on an ongoing basis (Kvale & Brinkmann, 2015).

As recommended by Kvale & Brinkmann (2015), several choices with respect to transcription format have been made prior to the transcription process. For reasons of simplification, unnecessary introductions, pauses and filler words have been left out of the transcribed records. Further, a choice was made not to record non-verbal communication, laughter, etc. as this was deemed to have limited relevance vis-à-vis the nature of the research question.

The ultimate aim of the transcription approach has been to construct interview records as close to objective raw data as possible. This has been considered particularly important since 11 out of 12 interviews have been conducted and transcribed in Danish. Therefore, the textual basis has been sought to be as neutral as possible before performing interpretive translations for the purpose of writing this report. Finally, all interviewees have been presented with the transcribed material in order to allow anonymisation of confidential quotes.

2.3.4.1. Note on Dansk Erhverv & Global Compact Network Denmark

Due to restrictions, the interview with MT (Dansk Erhverv) has been conducted fully via e-mail, and the interview with JC (Global Compact Network Denmark) has been conducted partially via telephone and e-mail. Thus, it is noted that all responses received electronically have been directly inserted into transcription records without being subject to editing efforts.

2.3.5. Thematic Coding

To enable a theoretical analysis of the interview transcripts of this report, a technique of content coding has been developed to review the qualitative records. This approach relies on the adequate identification of keywords to describe the analysed data, which allows for the creation of an overview of the transcribed materials (Kvale & Brinkmann, 2015).

For the purpose of the coding process, a computer-aided procedure has been employed through the use of the qualitative data analysis software 'NVivo'. This computerised tool has been selected to improve the efficiency with respect to data storage, accessibility and the identification of thematic patterns as compared to paper-based methods (Richards, 2009).

The used coding scheme of this report strongly relates to the concept of grounded theory as interpreted by Charmaz (2005). A core feature of this framework is the data-focused development of theory resulting from an iterative approach to the analysed materials, as data collection and analysis are to proceed in tandem (Bryman, 2012). In practice, this means that coding is performed in two phases – an initial phase and a focused phase.

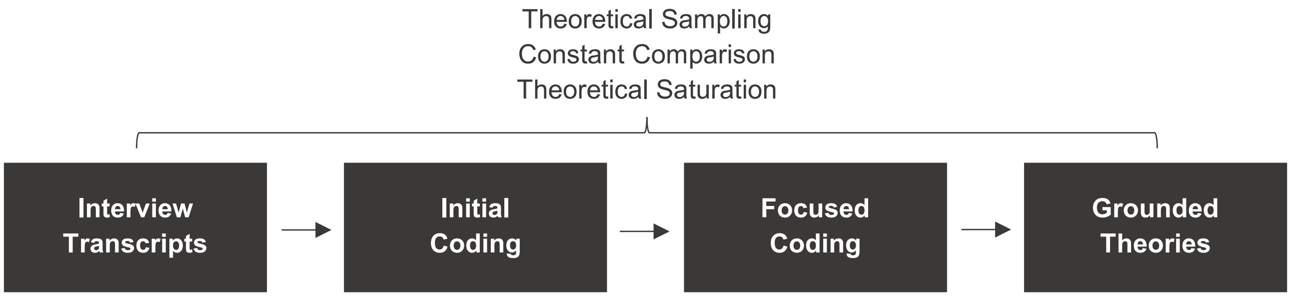
In the context of this report, the aim of the initial coding phase has thereby been to develop categories yielding a complete view of the experiences and opinions as expressed by the interviewees. This is achieved through a categorisation approach (Gibbs, 2007) which allocates data passages to emerging topics, hence relying on minimal subjective interpretation (Richards, 2009). The used coding practice has then been comprised of 'open coding', i.e. by disaggregating data into units and classifying the phenomena into relevant categories (Strauss and Corbin, 1990). This data-driven approach is employed to mitigate constructivist bias and promote explorative open-mindedness in the initial coding phase (Bryman, 2012).

In the focused coding phase, the initially developed codes have been re-examined to further bridge the analysed data to the research question of the report. This is achieved as decisions have been made about which initial codes made the most analytic sense (Charmaz, 2006), whilst leveraging an increased emphasis on the most common codes and the codes deemed most revealing about the data in the initial coding phase (Bryman, 2012). Resultingly, these focused categories serve as the inductive basis for the further analysis of the report.

2.3.6. Data Analysis

After classifying the content of the conducted interviews into final focused coding categories, the data of each category has been analysed in accordance with the constructivist approach to qualitative data analysis based on grounded theory (Charmaz, 2006). This process of empirical review is thereby seen as a dynamic analysis procedure, as shown in Figure B.

Figure B: Employed Method for Qualitative Data Analysis



Source: Adapted from Saunders et al. (2019), p. 668.

In the effort to theorise the focused coding, the framework on condensation of ideas from Kvale & Brinkmann (2019) has been used as a tool to review each final coding category. This method enables long statements of the interviewees to be transformed into condensed formulations, which are afterwards assessed vis-à-vis the research questions of the overall report. Thereby, a theorisation can be conducted for significant and non-redundant themes.

In the process of identifying and testing significant themes in the gathered data, this report is inspired by the strategies on identification of patterns described by Richards (2009). These include the detection of counter-instances, exceptions, intervening factors and etc. Hence, instances deemed most relevant in the context of this report have thus been included in the analysis by either discussing the relevant pattern or through direct contrasting of quotes.

Lastly, the ultimate aim of the qualitative data analysis has been to construct data-oriented ‘grounded theories’ relating to the research question of the report (Saunders et al., 2019). Following the school of Charmaz (2006), this approach has relied on analytical condensation via inductive reasoning. Thus, the report ultimately seeks to make theoretical inferences based on the accumulation and inspection of the qualitative data (Coffey & Atkinson, 1996).

2.4. Validity & Reliability

During the development of this report, emphasis has been given to the concepts of validity and reliability, which are used as central judgements about the quality of academic research (Saunders et al., 2019). Hence, these aspects are thus discussed both in the context of the performed content analysis as well as the conduction of qualitative interviews of this report.

According to Saunders et al. (2019), validity is defined as the appropriateness of measures used, accuracy of the analysis and generalisability of findings. With respect to the content analysis of the study, validity has thereby been ensured as a descriptive coding template has been used to secure the uniformity of the analysis cf. Appendix B. Using such a checklist also ensures that only enlisted matters are being measured, which fundamentally results in a high degree of validity of the performed content analysis of the report (Krippendorff, 2018).

However, validity as an absolute concept is often challenged vis-à-vis qualitative research methods such as the interviews conducted for this study (Gibbs, 2007). Yet, efforts have been made to avoid potential biases or errors, i.e. through the consistent use of moderator and interview guides cf. Appendix C-D. It is further noted that the report has only sampled interviewees with senior experience and/or management roles in order to ensure adequate qualifications of the interviewees when answering the interview questions of this report.

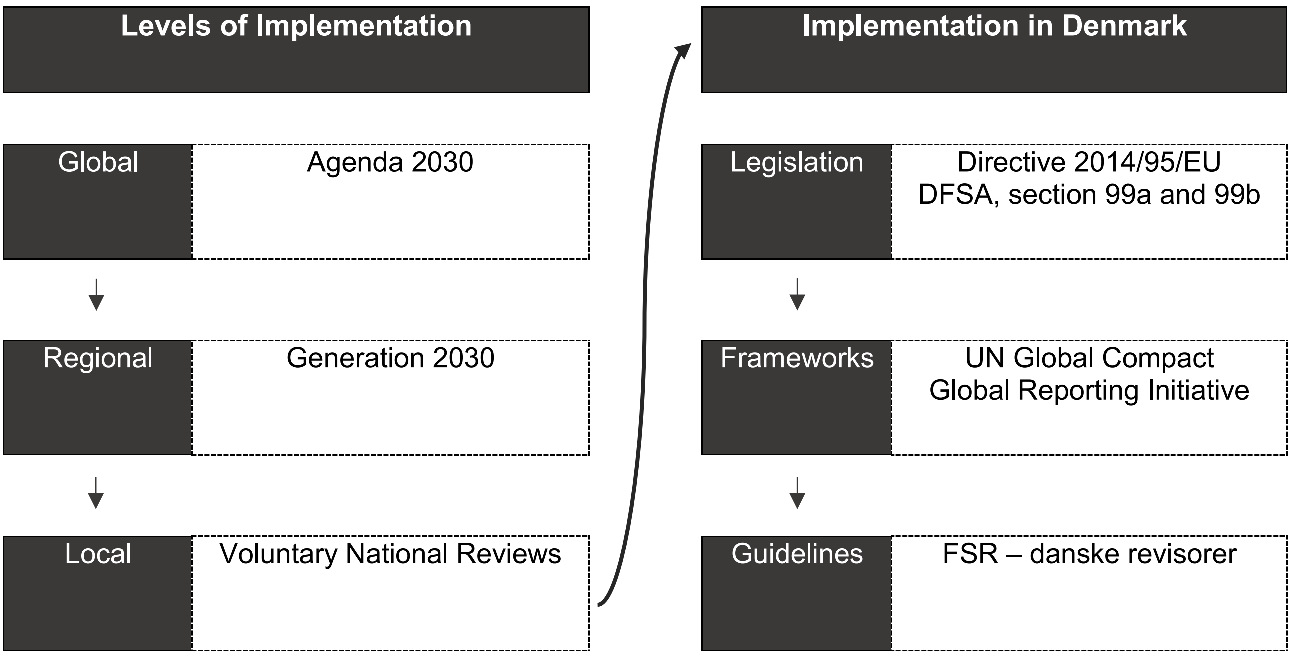
Regarding the reliability of the study, Saunders et al. (2019) define the term as the level of replicability and consistency of the performed research. For the content analysis, this is viewed as the extent to which the same results had been derived by a different researcher or under a different timing (Krippendorff, 2018). This is accommodated by the analysis as the objectivity of the employed variables leave little room for potentially biased discretions.

However, the use of a semi-structured interview approach is likely to diminish the degree of reliability of the identified qualitative results. This is mainly due to the degree of fluidity of the technique (Bryman, 2012), thereby implying that other interviewers may have asked the questions differently, attained different results or interpreted these in an alternative manner. Efforts have therefore been made to link expressed viewpoints to the relevant theories or frameworks in order to validate the data and ultimately increase the quality of the research.

3. Agreements, Legislation & Guidelines

In order to explore societal expectations regarding corporate reporting on the SDGs, the following sections examine the implementation of the Agenda 2030 on the global, regional and national level. As the interviews of this report act as a case study for SDG reporting in Denmark, attention is devoted to both investigating the Nordic regional implementation as well as the local adaptations of Denmark. Although the Agenda 2030 is a voluntary initiative, interlinked agreements, legislation and guidelines related to the SDGs have been presented and will be referred to throughout the report. To illustrate this connection between the discussed frameworks, the structure of the following section has been illustrated in Figure C.

Figure C: Cohesion of Presented Agreements, Legislation & Guidelines



Source: Own creation.

It is noted that the selected frameworks have been included as these have been regarded most relevant with respect to the overall purpose of the report. However, other significant initiatives worth considering include the OECD Guidelines for Multinational Enterprises, the Principles for Responsible Investment and the ISO 26000 Standard on Social Responsibility.

3.1. The Agenda 2030 for Sustainable Development

At the UN Summit in September 2015, world leaders adopted the highly ambitious 'Agenda 2030 for Sustainable Development'. Building on the achievements of the 'United Nations Millennium Declaration' (United Nations, 2000), the Agenda 2030 aims to eradicate poverty and acts as a plan of action for people, plant and prosperity (United Nations, 2015a).

Most prominently, the Agenda 2030 is introducing the 17 Sustainable Development Goals which are the result of over two years of consultation with stakeholders such as civil society and the private sector. These global aspirations are largely influenced by targets of the Paris Accord (United Nations, 2015b) as profound emphasis is given to goals vis-à-vis changing natural conditions. Apart from the 17 SDGs, the Agenda 2030 also proposes 169 targets supplemented by 232 indicators (United Nations, 2017) which are universal, indivisible and greatly interlinked by nature (United Nations, 2015a, para 71). With the ultimate mission of transforming our world for the better, the developed SDGs are presented in Figure D.

Figure D: The Sustainable Development Goals

Source: United Nations (2020).

Pledging that "no one will be left behind", the Agenda 2030 is applicable to all contracting states and shall guide political decisions from 2015-2030 (United Nations, 2015a, para 21). Governments are encouraged to implement the Agenda through domestic policies and by developing national targets for the goals (United Nations, 2015a, para 55). However, as it is stipulated by the Addis Ababa Action Agenda (United Nations, 2015c), local capacities and priorities should be mutually respected. Finally, it is stressed how societal stakeholders such as businesses and the private sector bear a major responsibility in implementing and regularly reviewing the SDGs as sustainable developments progress (United Nations, 2015).

3.2. Generation 2030: Nordic Programme for Agenda 2030

The value of regional cooperation is strongly highlighted in the Agenda 2030, as sharing of best practices and discussing common targets can leverage useful opportunities for peer learning at both the regional and sub-regional level (United Nations, 2015a, para 81). In this context, the Nordic Council of Ministers acts as the official Nordic entity for intergovernmental cooperation and is represented by all Nordic states. The council promotes regional work within policy areas such as culture, education and sustainable development (Norden, 2020).

Based on a common regional action plan (Nordic Council of Ministers, 2017b), the Nordic priorities for sustainable development were adopted in 2017 through the 'Generation 2030' programme which seeks to facilitate cooperation on the challenges faced jointly by Nordic societies in achieving the goals of the Agenda 2030 (Nordic Council of Ministers, 2017a).

In the Nordic region, specific emphasis has been given to the priority theme of 'sustainable consumption and production' in the years of 2017-2020 (Nordic Council of Ministers, 2017a). Derived from SDG 12, this focus area was selected as a result of particular challenges with high levels of waste generation and rates of material consumption in the Nordic states which are generally above the OECD average (Nordic Council of Ministers, 2017c). Hence, funded initiatives under the Generation 2030 programme must have a clear aim to improve Nordic patterns on consumption and production. This priority is deemed particularly useful as it can be further linked to a broad spectrum of other SDGs (Nordic Council of Ministers, 2017a).

Leading activities until 2025, the Nordic Council of Ministers has also created a strategic and overriding framework for sustainable development within the region (Nordic Council of Ministers, 2019). This sustainability strategy includes five prioritised indictors, which have been linked to selected targets of the Agenda 2030 and emphasises areas such as social welfare, climate change and the use of natural resources. With an offset in this strategy, the Generation 2030 programme thus also refers to the relevance of SDG 5-8, 13-15 and 17 in the specific context of the countries in the Nordic region (Nordic Council of Ministers, 2017a).

3.3. Voluntary National Reviews

On the national level, the Agenda 2030 introduces follow-up and review mechanisms which draw on national circumstances, policies and priorities (United Nations, 2015a, para 79). Also known as 'Voluntary National Reviews', these reports are a means for countries to exchange experiences and accelerate implementation (United Nations, 2018). Since it is recognised that states differ in challenges and resources, VNRs are an important platform for countries to present their nationally specific agendas and indicators (UN DESA, 2018).

VNRs are led by states and shall be periodically presented at the High-Level Political Forum under the auspices of the Economic and Social Council (United Nations, 2015a, para 84). In the following section, the most recently submitted VNRs are thereby discussed for the five Nordic countries – Denmark, Sweden, Norway, Finland and Iceland. The reviews of these countries have all been published between 2016-2019, and presently none of the Nordic nations have submitted more than one VNR. Hence, it has been with an offset in these reviews that national aspirations and action plans are discussed in order to derive an understanding of the locally prioritised focus areas for the SDGs in the Nordic societies.

3.3.1. Denmark

The Danish government published its first Voluntary National Review in June 2017. In the report, it is particularly stressed how public awareness raising should be pursued to create societal ownership of the SDGs. To ensure policy coherence, the report further describes how the country's government has decided to assess the consequences for the global goals in relation to future legislation and political initiatives (Ministry of Finance of Denmark, 2017).

To allow systematic stocktaking and ongoing evaluation of progress, 37 concrete targets have been formulated in the Danish action plan for the SDGs. The country's VNR refers to these targets as national priorities for sustainable development, and in the action plan, each target has been linked to one of four priority areas, including growth and prosperity, people, environment and climate or peace and safe societies. Finally, all targets have then been paired with relevant SDGs as well as a quantifiable indicator to track future target progress. These indicators will then enable the conduction of annual progress reports on the national performance in relation to the Danish SDG priorities (Ministry of Finance of Denmark, 2017).

3.3.2. Sweden

In 2017, Sweden submitted its most recent Voluntary National Review. A strong message is conveyed in the report as the country proclaims an ambitious aim to become a leader in implementing the Agenda 2030 both domestically and through international contributions. Moreover, emphasis is given to the strength of a strong starting position in the Nordic welfare states, but that challenges related to the SDGs still remain (Government of Sweden, 2017).

To overcome these challenges, the Swedish VNR refers to the need for a national action plan in which indicators related to the Agenda 2030 are to be developed. Hence, this plan was adopted by the Government of Sweden in 2018 and highlights six cross-sectoral focus areas that allow different societal actors to help implementing the global goals (Government Offices of Sweden, 2018a). These include areas such as social and gender equality, a circular and bio-based economy, a strong and responsible business sector, etc. However, as the focus areas are not explicitly linked to the SDGs, these should be perceived through the specific actions listed in the Swedish action plan (Government Offices of Sweden, 2018b).

3.3.3. Norway

The latest Norwegian Voluntary National Review was published already in 2016. The report particularly highlights how the country's engagement with the SDGs should be approached through holistic political solutions. In Norway, this is achieved as responsibility for each of the 17 goals is given to a coordinating ministry, which annually reports on its respective SDG progress during collective budget negotiations (Norwegian Ministry of Foreign Affairs, 2016).

In response to the international adoption of the SDGs in 2015, the Norwegian Forum for Development and Environment urged the government to develop a strategy and national action plan to assure adequate implementation and financing of the Agenda 2030 in the country (ForUM, 2016). This mission has thus been manifested in Norway's VNR through the identification of 10 distinct sustainable development challenges at the national level. Although no direct links are drawn, these challenges relate to several of the SDGs as priority is given to various focus areas such as sustainable consumption and production, health and education, equality, migration and other areas (Norwegian Ministry of Foreign Affairs, 2016).

3.3.4. Finland

Finland was also among the first states to submit a Voluntary National Review in 2016. Apart from a comprehensive assessment of national progress on the SDGs, the Finnish VNR emphasises the value of broad stakeholder involvement to foster societal engagement with the goals. Finally, the review also outlines the country's strong institutional system and its vital role to solidify political commitment to the SDGs (Prime Minister's Office Finland, 2016).

In April 2016, the Commission on Sustainable Development adopted the vision elicited in "The Finland we want by 2050" in which eight objectives have been selected to illustrate and monitor national progress on sustainable development (Finnish National Commission on Sustainable Development, 2016). These principles are also known as the "Society's Commitment to Sustainable Development" and have been jointly negotiated with a wide base of societal actors. In Finland's VNR of 2016, each objective has then been linked to associated SDGs, thus depicting the country's national framework for prioritising certain SDGs with particular relevance vis-à-vis local implementation (Prime Minister's Office Finland, 2016).

3.3.5. Iceland

The most recent Nordic Voluntary National Review has been published by Iceland in 2019. In terms of implementation, the review describes how the SDGs are at the heart of Iceland's development cooperation. Further, the goals are also being integrated into national policy-making, e.g. though the development of the government's fiscal strategy and by using the SDGs to guide the formulation of the country's highly ambitious Climate Action Plan.

To propose targets for national prioritisation, the government of Iceland has appointed an inter-ministerial working group including representatives from local authorities and Statistics Iceland. In collaboration with the Institute for Sustainability Studies (ISS), the working group published its national SDG status report in June 2018, which defined 65 priority targets using a methodology proposed by the University of Iceland. These priorities thus reflect the government's emphasis in implementing the SDGs and propose aspirations across all 17 goals. As an example, seven concrete targets have been prioritised for SDG 15, thus setting the tone for future efforts to promote of 'Life on Land' in Iceland (Government of Iceland, 2019).

3.4. National Legislation and Guidelines

In the following, a distinct focus is developed towards CSR and SDG reporting initiatives with particular relevance to the private sector of Denmark. Discussing both mandatory and voluntary frameworks, the section hinges on national as well as international contributions.

3.4.1. Legislation on CSR Reporting in Denmark

In Denmark, legislation on corporate reporting on non-financial and diversity information is derived through the EU Directive 2013/34/EU. This directive requires that the management report of corporations include an analysis on environmental and social aspects, and with the latest amendments of Directive 2014/95/EU, particular emphasis should also be given to the firm's review of matters related to human rights as well as anti-corruption and bribery issues.

Denmark has implemented these directives into national legislation through section 99 a of the Danish Financial Statements Act. This law directly applies to undertakings in the Danish reporting class C and D, who are thus required to describe their business model, the use of any non-financial KPIs, and that the required dimensions regarding policy, action, risks and results are being accounted for. If an undertaking has no CSR policy, this should be stated in the management's review along with the underlying reasons. Finally, a company may place the CSR report in the management's review, on its website, in a supplementary review or in a report pursuant to the principles of the UN or GRI (FSR – danske revisorer, 2019a).

It is noted that an audit of the CSR report is not required unless requested by the undertaking itself (The Danish Business Authority, 2019). However, in his independent auditor's report, the auditor must compare the management's review with the financial report and information obtained as a result of the audit process. Errors or deficiencies in the management's review will thereby require the auditor to modify this opinion (FSR – danske revisorer, 2019a).

Lastly, attention is given to section 99 b of the Danish Financial Statements Act concerning the composition of genders in the top management of Danish corporations. This is often also associated with the area of CSR and requires undertakings of reporting class C and D to report on explicit targets and progress on gender diversity (FSR – danske revisorer, 2019b).

3.4.2. UN Global Compact

The UN Global Compact is an initiative under the United Nations which seeks to globally mobilise organisations for a more sustainable future. In Denmark, more than 400 members have committed to actively working with the 10 principles of the UN Global Compact that hinge on human rights, labour, environment and anti-corruption (UN Global Compact, 2020). Another mission of the UN Global Compact is to promote the engagement of businesses with the SDGs. Hence, in 2015 a collaboration was formed along with the WBCSD and the GRI to launch the ‘SDG Compass’, in which companies are advised on how to understand, implement and transparently communicate on SDG efforts (GRI, UNGC & WBSCD, 2015).

3.4.3. Global Reporting Initiative

The Global Reporting Initiative is an independent international organisation striving to help businesses and governments worldwide in managing and reporting on critical sustainability issues. Specialising in setting standards, the GRI Sustainability Reporting Standards have become the world’s most widely used standards for sustainability reporting (KPMG, 2017). In 2017, the organisation joined forces with the UN Global Compact to operationalise the SDGs and their associated targets. This was a first step towards a uniform mechanism for businesses to report on their impact on the SDGs through measures that accelerate corporate SDG reporting in an effective and comparable way (GRI & UN Global Compact, 2017).

3.4.4. Guidelines on the SDGs from FSR – danske revisorer

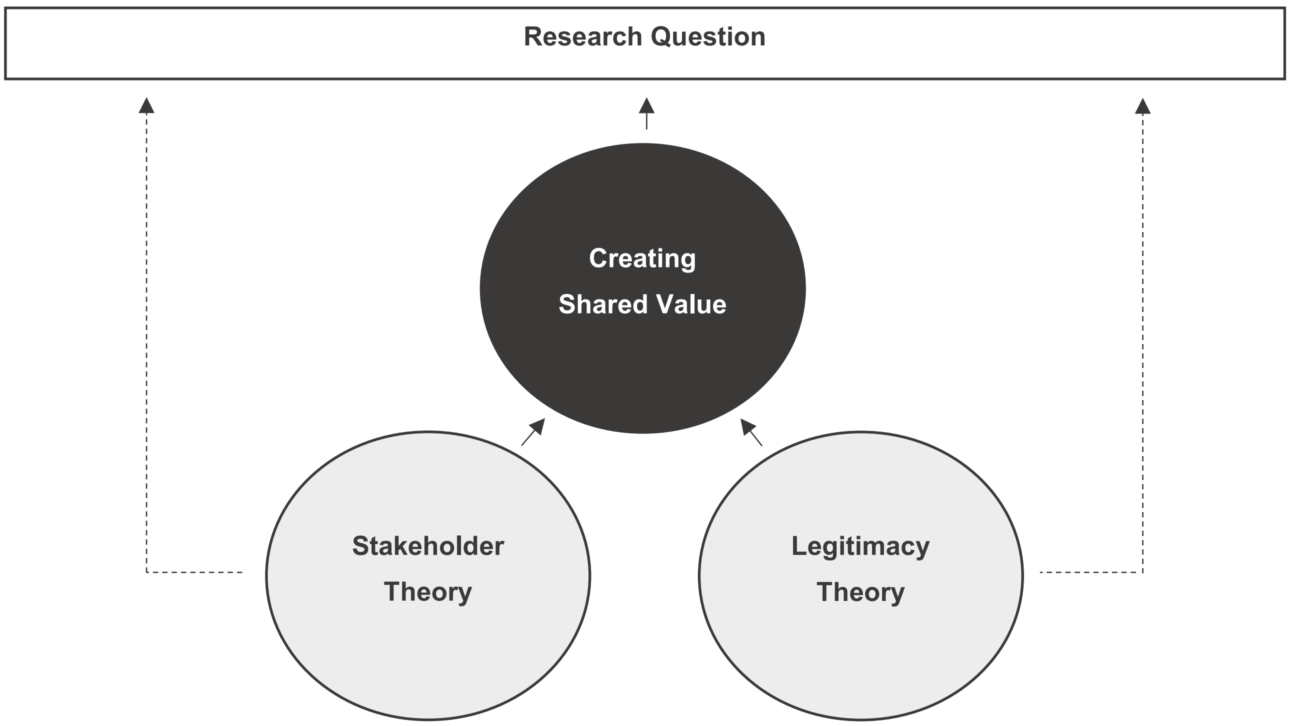
FSR – danske revisorer is the primary industry association for financial auditors in Denmark. With its CSR committee, the organisation aims to promote Danish corporate sustainability, and recently published a proposal for potential standards for ESG-disclosures. Having direct links to SDG reporting, this proposal stresses the essential role of reported progress and comparability when disclosing on non-financial matters (FSR – danske revisorer 2019c). This was also highlighted in 2018, when FSR analysed CSR reporting practices of listed corporations in Denmark, as the report urges companies to prioritise relevant goals and targets of the Agenda 2030 and report on their progression (FSR – danske revisorer, 2018).

4. Review of Literature and Theory

The following section aims to outline the academic context of research on SDG reporting. With an offset in the accounting literature, it is explored how previous studies have viewed and critiqued the value of voluntary reporting within the field of sustainability and corporate social responsibility. The intent of this assessment has been to position the format of this report within the existing research that has already been conducted on SDG reporting.

Furthermore, an introduction is given to the core theories employed for the purpose of this report. In this connection, the report develops a primary orientation towards the paradigm of ‘Creating Shared Value’ which will be regarded as the overarching theoretical framework. To support and contrast this theoretical approach, the report also includes a discussion of ‘Stakeholder Theory’ and ‘Legitimacy Theory’. In Figure D, it has been illustrated how these secondary theories have been incorporated in the report in order to explore differences with respect to the conceptualisation of value creation vis-à-vis corporate reporting on SDGs.

Figure E: Application of Core Theories



The CSV paradigm is applied as the main framework for answering the research question of this report. The stakeholder and legitimacy theory support this paradigm and are thus indirectly applied. Source: Own creation.

4.1. SDGs in the Accounting Literature

A cornerstone of the Agenda 2030 is the role played by businesses in accelerating societal progression towards sustainable developments (United Nations, 2015a). However, as the corporate engagement with the SDGs is still considered as a novel phenomenon, academic studies on the topic are yet very scarce and scattered (van der Waal & Thijssens, 2019).

In the accounting literature, the perhaps most prominent article on company implementation of SDGs places the topic in the context of research on environmental, social and governance disclosures (Bebbington & Unerman, 2018). Accounting research has shown that significant improvements in corporate ESG performance in prior years can lead to improvements in the financial performance in the subsequent periods (Clarkson et al., 2011). This has caused linkages to be drawn between the value of sustainability reporting and the decisions made by corporate investors (Jain et al., 2016), as effects of ESG performance have been related to stock prices and risks as key factors in optimising investment portfolios (Bos, 2014).

With respect to corporate reporting on the SDGs, Bebbington & Unerman (2018) further emphasise the current scarcity on the topic in the accounting literature and suggestions are made to work interdisciplinarily in future studies within the field. Thus far, past research has mainly considered the way cross-disciplinary studies can link techniques of accounting to sustainable development (Bebbington et al., 2017). A branch of these techniques falls under the umbrella of 'Environmental Management Accounting' (Jasch, 2006), which combines principles of environmental science and financial accounting to assist internal management in decision-making related to environmental expenditures (Schaltegger and Burrit, 2000).

Although the Agenda 2030 is highly concerned with environmental issues, the SDGs also include great ambitions for social and societal issues (United Nations, 2015a). However, the absence of specific sustainability goals or KPIs for integrated reporting remain an issue as companies seek to comprehensively account for matters on CSR (Oshika & Saka, 2017). In a recent article by Serafeim et al. (2020), a vision for the accounting of the future is presented through the concept of 'impact-weighted accounts'. This paradigm aims to set the standard for modern accounting statements by linking these to the social and environmental impacts of the companies, although the ambition does not explicit address the inclusion of SDGs.

With respect to created value, accounting research often questions the merit of social and environmental reporting. Due to the absence of adequate monitoring and verification of data, current practices have been linked to strategies of 'greenwashing' (Laufer, 2003) as firms communicate positively about poor sustainable performance (Delmas & Burbano, 2011). Parallels have also been drawn to the institutional theory of 'mimetic isomorphism' (Deegan & Unerman, 2011). This view suggests that voluntary sustainability reporting diverges from an agenda of value creation, and instead merely results from companies conforming with practices of leading organisations in order to capture legitimacy (Unerman & Bennett, 2004).

As concluded by Bebbington and Unerman (2018), accounting academics can contribute substantively to the challenges posed by the Agenda 2030. Hence, this report has followed as a natural extension of this proposition since efforts are made to assess the value and potential of SDG reporting as currently perceived by society and corporate stakeholders. To provide an innovative contribution to the literature, the report deviates from past studies on environmental and social reporting as a strict focus is placed on disclosures on the SDGs. Further, the study does not seek to develop accounting methods for the goals, but instead suggestions are made to improve value creation by adjusting current reporting practices.

4.2. Creating Shared Value

In 2014, the UN Secretary-General circulated the working paper 'The Road to Dignity by 2030', in order to outline the main development challenges which later came to be elicited through the Agenda 2030 and the SDGs. With respect to businesses, the paper directly refers to the need for "transforming businesses models for creating shared value" (United Nations, 2014: 22), thus leveraging one of the most cited post-millennial theories on CSR.

Porter and Kramer (2006) developed the notion of 'Creating Shared Value' to emphasise the future need for companies to integrate a social perspective into the core approach to business strategy and competition. Later, the authors further refined the concept of CSV as the process of "creating economic value for society by addressing its needs and challenges" (Porter & Kramer, 2011: 64). Fundamentally, this theory represents the idea that CSV should arise from an imbued perception of modern capitalism, where the strive for social purpose is driven through competition and economic value creation (Porter & Kramer, 2011). CSV is thus not to be seen as an act of corporate philanthropy or charity but should instead be considered as a means for businesses to achieve competitive advantages in the future.

When uniting social and economic value creation through CSV, it is often stressed how the first step of businesses is to identify and prioritise social challenges and opportunities based on the competitive endowments of the given company (Wieland, 2017). According to Porter et al. (2011), the idea of businesses prioritising certain social challenges is viewed as the key to develop an optimal strategy for CSV. In this connection, it is emphasised that the company-specific priorities need to be carefully managed, since the societal perceptions of corporate impact changes over time as social standards evolve and science progresses (Porter & Kramer, 2006). This implies a dynamic management of corporate CSV priorities due to changes in both society and the corporate competitiveness (Wieland, 2017).

A foundational characteristic of the CSV paradigm is the view that businesses impinge on society through 'inside-out linkages'. This is the case as increasingly sophisticated value chains create positive and/or negative social consequences for communities with which they touch (Porter & Kramer, 2006). Conversely, it is argued that society influences corporations through 'outside-in linkages' represented by external factors determining the competitive contexts (Ibid.). The significance of this dyadic relationship between business and society is at the very root of the CSV concept (Porter & Kramer, 2011), hence underlining how the development of value creation is manifested in a sphere hinged on mutual dependency and the formation of cross-societal partnerships, cf. SDG 17 (United Nations, 2015a).

It is imperative to the comprehension of CSV that the concept is not viewed as an add-on scheme for corporations to 'manage' the CSR expectations of relevant stakeholders. In fact, it is argued that the CSV needs to supersede traditions of CSR (Porter & Kramer, 2011) as corporate capacities should be built to integrate the 'stakeholder-view' into business decisions as part of a CSV strategy. Porter and Kramer (2011) attribute the increased pressure resulting from various stakeholder perceptions and activities to threaten the current capitalist system, hence suggesting the role of stakeholders to act as the raison d'être for CSV.

4.3. Stakeholder Theory

To understand the strategic role of stakeholders, the concept of stakeholder theory aims to categorise and analyse claims of parties external to the corporation. In traditional literature, a narrow shareholder-oriented view has been applied with respect to corporate decisions on strategy and value creation. However, modern stakeholder theory has also encompassed claims of broader societal groups and defines stakeholders as “any group or individual who can affect of is affected by the achievement of the firm’s objectives” (Freeman, 1984: 25).

Stakeholder theory is applicable through both a normative and positive view. The normative view is rooted in a moral or ethical perspective of stakeholders, who all are perceived as having an intrinsic right to be treated fairly by the organisation (Deegan & Unerman, 2011). In this view, the perception of ‘stakeholder power’ is disregarded since the interests of all stakeholders must be given equal consideration by the firm management (Hasnas, 1998). Contrastingly, the positive stakeholder view applies a more managerial approach which distinguishes between stakeholder groups as a higher degree of priority will be attributed to those stakeholders identified as more important to the organisation (Gray et al. 1996).

When differentiating between stakeholder claims, the successful organisation is described to be allocating resources in order to satisfy the demand of powerful stakeholder groups (Deegan & Unerman, 2011). The need to consider ‘power’ as a positive theorical factor for stakeholder differentiation is also argued by Mitchell et al. (1997) in their framework on stakeholder salience. In this view, stakeholders possessing the attributes of power, urgency and legitimacy result in a greater importance to organisations, hence it is found that firms are more likely to respond to expectations of this specific nature (Parthiban et al., 2007).

With respect to the SDGs, the Agenda 2030 highly emphasises the need for actors across society to contribute towards the goals through interconnected efforts. As recent studies question the ability for stakeholders to rely on company sustainability reports for information on SDGs (van der Waal & Thijssens, 2019), the urgency of this expectation is arguably increasing. Further, as public awareness of the SDGs rises, the demand for corporate SDG reporting is likely to gain a growing degree of legitimacy, as stakeholders require companies to conform with norms and values of the wider societal community (Mitchell et al., 1997).

4.4. Legitimacy Theory

While stakeholder theory is concerned with refining resolutions for particular societal groups, legitimacy theory aims to conceptualise the organisation vis-à-vis the expectations of society in general terms (Deegan, 2002). In this context, 'legitimacy' is considered to be a relative and dynamic concept. According to Suchman (1995), the legitimacy theory is fundamentally characterised by the surrounding society's perception of corporate actions to be desirable, proper or appropriate within the overarching system values and beliefs. The legitimacy of actions is thus derived from the time and place of operation (Deegan & Unerman, 2011).

The mutual dependency of society and organisations is theoretically described through the notion of a 'social contract' between the parties (Deegan & Unerman, 2011). Thus, as public expectations to corporate disclosures on SDGs undergo changes, companies resisting to conform with these claims will encounter 'legitimacy gaps' (Lindblom, 1993) as the legitimate link to society is viewed as a resource for company survival (Dowling and Pfeffer, 1975). In this regard, various means of corporate reporting is considered to be an avenue for firms to address the stakeholder demand for corporate legitimacy (Deegan & Unerman, 2011).

It is vital to the comprehension of the concept to stress that the legitimacy of firms relies solely on the experienced perceptions of stakeholders (Nasi et al., 1997). Hence, legitimacy is fundamentally viewed as a social construct, ultimately allowing the actual conduct of firms to diverge from societal norms if this goes unnoticed by the observers (Suchman, 1995). Successfully managing claims for corporate legitimacy does thereby not necessarily imply the creation of legitimate value, if a general perception of value creation is still able to prevail.

The misalignment between public perceptions and actual value creation is captured in the literature by the institutional theory on 'decoupling' (Dillard et al., 2004). Particularly in terms of company disclosures on social and environmental matters, the notion of decoupling refers to the situation where an organisational behaviour may be very different from the actual performance on these parameters (Deegan & Unerman, 2011). Thus, this version of socially constructed legitimacy comprises a threat to the stakeholder view regarding the societal influence on the behaviour of firms and the public demand for creation of shared value.

5. Analysis I – Content Analysis

5.1. Findings

In the following sections, the derived findings of the conducted content analysis have been presented for the 50 sampled Nordic corporations. The findings have been described on the national level for all countries, and these have been summarised in Appendix F-J. Hence, presentations of the findings for each country have followed the same structure and give emphasis to the same methodological criteria. The goal has thereby been to leverage a descriptive and comparable overview of the findings in relation to the societal SDG priorities of the Nordic countries and the associated SDG reporting patterns of the Nordic firms.

It is noted that the SDG priorities of each Nordic country have been derived in different ways according to domestic frameworks that specify national goals for sustainable development. In the case of Denmark, Finland and Iceland, these national goals have been linked directly to the SDGs by the countries. Based on these linkages, this report further identifies 'primary priorities' for each country based on the number of times that each SDG has been referred to through the national goals. However, Sweden and Norway have not drawn these linkages between the national goals and the SDGs. Hence, the report thus subjectively associates the Swedish and Norwegian goals with the SDGs and considers all as 'primary priorities'.

Further, it is noted that the presented findings for each country have also been compared to the regional SDG priority of the Nordic countries. As presented previously in the report, the Nordic Council of Ministers has allocated particular attention towards the common theme of "sustainable consumption and production" in the Nordic region from 2017-2020 (Nordic Council of Ministers, 2017). Hence, the report considers the directly related goal of SDG 12 as the primary SDG priority of the region vis-à-vis the presentation of the national findings. As the countries of Sweden and Norway have also been found to indicate SDG 12 as a national SDG priority, the findings for this goal will be presented in the context of both views.

5.1.1. SDG Reporting of Denmark

In the Danish action plan for the SDGs, the country includes 37 national targets for sustainable developments which display the approach and priorities of Denmark with respect to the SDGs (Government of Denmark, 2017: 15-18). Each national target has thus been linked to the associated SDGs as summarised in Appendix K. Hence, this report considers SDG 8 and SDG 16 as the primary SDG priorities of Denmark as these goals have been referred to by the highest number of national SDG targets in the country's national action plan.

The SDG priorities of the sampled corporations of Denmark are presented in Figure F which compares these to the national and regional SDG priorities. As illustrated in the figure, 70% of the companies have reported on SDG 12, which is viewed as a key priority in the Nordic region. Further, 80% and 20% are reporting on the national priorities of SDG 8 and SDG 16 respectively. As shown in Appendix F, both SDG 12 and SDG 8 are also among the most frequently prioritised goals in the sampled Danish reports. However, 80% of the companies emphasise SDG 13, which is not seen as a primary SDG priority in the context of Denmark.

Figure F: SDG Priorities of Companies vs. Society – Denmark

Percentage = sampled firms prioritising SDG. Coloured SDG = primary societal priority. Source: Own creation.

In terms of the overall SDG reporting, it has been found that 90% of the sampled companies have disclosed information on the goals in their most recent reporting cf. Appendix F. In this reporting, 80% have referred to the included SDGs as impact or focus areas of the company, whilst 70% have described how their reported goals have been based on the specific nature of the given business and its operations. Lastly, the report also finds that 80% of the sampled firms are linking the SDGs to concrete targets and that these same companies also report on corporate progress on the goals. However, with respect to the official SDG targets of the Agenda 2030, these are only included in 40% of the sampled Danish SDG reporting.

5.1.2. SDG Reporting of Sweden

The Swedish Government's implementation of the Agenda 2030 relies on seven prioritised areas as presented in the country's VNR (Government of Sweden, 2017: 51). However, the country has not explicitly linked these sustainable development priorities with specific SDGs. With an offset in the primary aim of the Swedish goals, these have been paired with relevant SDGs for the purpose of this report as shown in Appendix K. Hence, this report considers the associated goals of SDG 3-5 and SDG 8-12 as the main SDG priorities of Sweden.

The included SDG priorities of the sampled Swedish corporations have been compared to the derived national and regional priorities in Figure G. As illustrated, 80% of the sampled companies are reporting on SDG 8, SDG 12 and SDG 13. In addition, SDG 5 and SDG 9 have been included by 70% and 60% respectively. It has thereby been found that all of the companies' most frequently prioritised SDGs correspond with the national priorities, except SDG 13, which has not been linked directly to any of the ten Swedish focus areas. However, it is noted that the Nordic priority of SDG 12 is among the most prioritised goals of the firms.

Figure G: SDG Priorities of Companies vs. Society – Sweden

Percentage = sampled firms prioritising SDG. Coloured SDG = primary societal priority. Source: Own creation.

Overall, it has been shown in Appendix G that all sampled firms of Sweden have reported on the SDGs in their latest corporate reporting, and that 90% of these have referred to the included SDGs as particular impact or priority areas of the companies. The findings also show that 90% are linking their emphasised SDGs to the business nature or operations of the given company. Furthermore, it has been found that 20% have linked reported SDGs to specific targets, whilst 40% have included information on progress or developments on the goals in their published reporting. It has lastly been found that 30% of the sampled Swedish firms have directly referred to the SDG targets of the Agenda 2030 in their disclosures.

5.1.3. SDG Reporting of Norway

The VNR of Norway presents ten specific sustainable development challenges which have been identified at the national level (Norwegian Ministry of Foreign Affairs, 2016: 2). Due to highly similar phrasing, each prioritised challenge can thus be directly associated to underlying SDG targets of the Agenda 2030. An outline of these linkages is shown in Appendix K. Hence, for the purpose of this report the associated global goals of SDG 3-5, SDG 8-12 and SDG 15-16 have been considered as the primary national SDG priorities of Norway.

Figure H compares the priorities of the sampled Norwegian corporations with the national and regional SDG priorities. As apparent from Appendix H, the SDGs that have been prioritised by the highest number of companies include SDG 8 and 13 which have been reported by 80%, as well as SDG 14 and 17 which have been reported by 60%. However, of these goals it is only SDG 8, which is also included in the national SDG priorities of the country. Furthermore, SDG 12 has been regarded as both a national and regional priority in the context of Norway, and it has been found that 40% of the sampled firms report on this goal.

Figure H: SDG Priorities of Companies vs. Society – Norway

Percentage = sampled firms prioritising SDG. Coloured SDG = primary societal priority. Source: Own creation.

With respect to the overall SDG reporting of the Norwegian companies, it has been shown in Appendix H that all sampled firms include the global goals in their most recent annual reporting. It has also been found that 80% refer to reported SDGs as areas of certain impact or priority, whilst 80% have described how included SDGs have been derived from the given corporate nature or the firm's operations. Moreover, the findings show that SDGs have been linked to specific targets by 70% of the sampled firms, and that 60% are reporting on concrete progress on the SDGs. Lastly, it is shown in Appendix H that 30% of the Norwegian companies display reporting which refers directly to the SDG targets of the Agenda 2030.

5.1.4. SDG Reporting of Finland

In the VNR of Finland, the country's 8 national sustainable development objectives have been correlated with the SDGs in order to align the Finnish sustainable development policy with the Agenda 2030 (Prime Minister's Office Finland, 2016: 28). These associated SDG priorities have been listed in Appendix K. As mentioned in the VNR, the objectives involve an extensive implementation of SDG 8 and SDG 16 which are included in two of the national objectives. Hence, this report considers these as the primary SDG priorities of Finland.

In Figure I, the SDG priorities of the sampled corporations of Finland have been compared to the priorities of the country and the region. It has been shown that 80% of the companies are reporting on the Nordic priority of SDG 12. In terms of the national priorities, it has been shown that 80% report on SDG 8 and that 20% report on SDG 16. In fact, both SDG 12 and SDG 8 are among the most frequently prioritised goals of the sampled companies of Finland as show in Appendix I. However, SDG 13 is the most prioritised goal of the Finnish firms, although this SDG is not interpreted to part of the primary national SDG prioritisations.

Figure I: SDG Priorities of Companies vs. Society – Finland

Percentage = sampled firms prioritising SDG. Coloured SDG = primary societal priority. Source: Own creation.

As it has been shown in Appendix I, the report finds that 90% of the sampled companies have included the SDGs in their annual disclosures. The report also finds that 80% have indicated reported goals as being particular corporate focal points, and that the included SDGs have been identified based on the nature of the business model or operations by 50% of the sampled firms. Further, it has been shown that 50% of the sampled Finnish companies are linking the SDGs to specific targets, and that 60% have reported on corporate progress on the goals. Lastly, the report has found that 20% of the companies are referring to the SDG targets of the Agenda 2030 directly in their most recent corporate disclosures.

5.1.5. SDG Reporting of Iceland

The SDG priorities of Iceland are listed in the country's VNR and include 65 priority targets that have been emphasised by the government to hold particular importance to Iceland, the Icelandic international cooperation or both (Government of Iceland, 2019: 147-151). These priorities have been summarised in Appendix K. For the purpose of this report, the goals of SDG 3, SDG 6 and SDG 15 have thus been considered as the primary priorities of Iceland as these include the highest number of underlying priority targets in relation to each goal.

The reported SDG priorities of the sampled corporations of Iceland have been compared to the national and regional priorities as illustrated in Figure J. Hence, it has been shown that 60% of the companies have reported on the regional priority of SDG 12, whilst 20%, 0% and 10% have reported on the national priorities of SDG 3, SDG 6 and SDG 15 respectively. As it is shown in Appendix J, the SDGs which have been prioritised by the highest number of sampled companies include SDG 5, SDG 8, SDG 12 and SDG 13. It is thus only the Nordic priority of SDG 12 which has also been given particular priority of the sampled corporations.

Figure J: SDG Priorities of Companies vs. Society – Iceland

Percentage = sampled firms prioritising SDG. Coloured SDG = primary societal priority. Source: Own creation.

From Appendix J, it appears that 60% of the sampled Icelandic corporations are reporting on the SDGs, whilst no information on the goals has been disclosed in the most recent corporate reporting of the remaining 40%. It has also been found that 50% of the sampled firms are referring to their reported SDGs as specific impact or priority goals, and that 20% of the included companies describe how their selected goals have been derived from the nature or operations of the given firm. Finally, Appendix J also illustrates that 20% of the sampled Icelandic firms are linking SDGs to corporate targets, 30% are linking the SDGs to reported progress and that 10% are referring to the official SDG targets in their reporting.

5.2. Analysis

5.2.1. SDG Priorities of Nordic Societies

As explored in the previous sections, the national SDG priorities of the Nordic countries have been identified through individual country-specific frameworks or action plans for the SDGs. To enable the examination and discussion of cross-national trends, the individual priorities of the SDGs shown in Figure F-J have been aggregated and presented through Figure K.

Figure K: Aggregated SDG Priorities – Nordic Societies

Count = societies found to emphasise SDG as a primary priority cf. Appendix K. Source: Own creation.

As illustrated, the SDGs prioritised by the highest number of Nordic countries are comprised of SDG 8 (Decent Work and Economic Growth) and SDG 3 (Good Health and Well-Being). Moreover, it is shown that ten further SDGs have been nationally prioritised by 1-2 countries. This segment includes SDG 12 (Responsible Consumption and Production), which is seen as the regional SDG priority of the Nordics (Nordic Council of Ministers, 2017). As SDG 12 has not been cited as a national priority by all countries of the region, this disconnection may thus confirm the dependency between the governance level and the relevance of the goals, as the SDGs are to be implemented at multiple political levels (United Nations, 2015a).

Figure K also shows that five SDGs have not been regarded as primary priorities in any of the Nordic countries. However, although some goals have not been viewed as local focus areas, they may still play a key role to the sustainable development policies of the countries. For example, Norway also identifies SDG 13 (Climate Action) as a crucial area, but this goal has not been integrated into national priorities as it is instead linked to Norway's international obligations relating to the Paris Agreement (Norwegian Ministry of Foreign Affairs, 2016: 2). Another example is Iceland which only has four national targets on SDG 5 (Gender Equality), but heavily stresses this goal in international cooperation (Government of Iceland, 2019: 4).

As stated in the SDG action plan of Sweden, "the government is working and will continue to work actively with every goal of the Agenda 2030" (Government of Sweden, 2017: 41). In fact, working with all the goals whilst maintaining national priorities is the approach of all the Nordic countries as encouraged by the Agenda 2030 (United Nations, 2015a: para 78-79). However, as previously noted, this report has considered the 'primary priorities' of Denmark, Finland and Iceland based on the frequency that each SDG has been referred to through national goals. Hence, in these cases it should be stressed that the report has not considered possible weighting of certain SDGs or the subjective value they hold to the countries.

With respect to the concept of shared value, Porter & Kramer (2011) suggest that value principles must be used for addressing both economic and social progress. From a societal perspective, this is thus manifested though social policies which must follow the principles for shared value (Porter & Kramer, 2006). In the context of the SDGs, this report thereby views the national SDG priorities of each Nordic country as societal focal points vis-à-vis the creation of shared valued. For example, the Danish SDG action plan describes that the national priorities contribute to a common direction for Denmark (Government of Denmark, 2017: 12), hence these SDGs are interpreted to have a higher potential value to the country.

In relation to CSV, external social conditions influence corporations via outside-in linkages which must be given careful attention by businesses (Porter & Kramer, 2006). That has also been found to be true for the national SDG priorities. In the case Finland, this is illustrated as the country's SDG strategy actively invites firms to sign operational commitments for the national SDG objectives (Finnish National Commission on Sustainable Development, 2016). Hence, corporations are thereby urged to tangibly indicate whether they are responding to the new competitive context shaped by the Finnish SDG priorities (Porter & Kramer, 2006).

Finally, it is noted that the CSV concept does not solely rely on firms adapting to the social agenda. As stated by Porter & Kramer (2011), government entities also bear a responsibility to elicit political initiatives in value terms in order to enable the collaboration with businesses. This phenomenon can be identified in the Nordic programme for the Agenda 2030, which emphasises the creation of 'Nordic added value' as one of the six primary pillars for a success implementation of the SDGs in the Nordic region (Nordic Council of Ministers, 2017a).

5.2.2. SDG Reporting of Nordic Corporations

To understand the corporate SDG reporting patterns of the Nordic countries, recent annual disclosures of 50 Nordic firms have been reviewed in the previous sections of this report. In this connection, emphasised SDG priorities in the reporting of the sampled companies have been recorded and presented in Appendix F-J. For the purpose of the analysis of this report, these findings have thus been further summarised and aggregated through Figure L.

Figure L: Aggregated SDG Priorities – Nordic Companies

Count = sampled firms prioritising SDGs cf. Appendix F-J. Source: Own creation

On the aggregate level, it is illustrated that the most prioritised SDGs of the sampled Nordic corporations include SDG 13 (Climate Action), SDG 8 (Decent Work and Economic Growth), and SDG 12 (Responsible Consumption and Production). As shown in Appendix F-J, these goals also correspond to the most frequently prioritised SDGs on the national level among all Nordic companies. However, it is noted that SDG 12 has not been found to be a primary priority of the sampled companies of Norway cf. Appendix H. Although SDG 13, SDG 8 and SDG 12 have been emphasised by a significant number of firms in the region, it is further noted that all remaining SDGs have also been valued to some extent as shown in Figure L.

DiMaggio and Powell (1983) describe how organisational processes may be modelled on other organisations when goals are ambiguous or if uncertainty exists in the environment. Also known as mimetic isomorphism, this mechanism may thus offer an explanation to why Nordic firms display such strong tendencies to reporting on SDG 13, SDG 8 and SDG 12. In contrast, the inherent convergence is less likely to result from coercive or normative pressures, as the report considers these to be more differentiated between the countries (Ibid.). Another explanatory variable for the similarities may also be the degree of general applicability to businesses of these specific goals, particularly with respect to SDG 8 and SDG 12.

Another focus point of the findings has been the national correlation between societal and corporate SDG priorities of each Nordic country. These are presented through Figure F-J. Remarkably, it is shown that both national and corporate priorities of Denmark and Finland are identical, and that SDG 8 is a common SDG priority for both parties in these cases. The strongest correlation is found for Sweden, where 4 out of 5 corporate priorities correspond to societal priorities cf. Figure G. Conversely, no correlation is found for the Icelandic SDG priorities cf. Figure J. Lastly, it is found that 50% of Norway's corporate SDG priorities reflect the national SDG goals, although this country has the highest number of societal priorities.

In conclusion, the cross-national comparison does not display any cogent interrelationship between the overall SDG priorities of corporations and societies in the Nordic countries. However, the regional priority of SDG 12 (Nordic Council of Ministers, 2017) is emphasised as a primary priority among sampled companies in Denmark, Sweden, Finland and Iceland. Hence, the strategic focus of Nordic firms may be going beyond the needs of local societies and instead aim for higher governance levels of the Agenda 2030 (United Nations, 2017a).

When achieving benefits that are valuable to both society and businesses, one of the key issues is for corporations to choose which social issues to address (Porter & Kramer, 2006). In the context of SDG reporting, this is thus linked to the decisions made by companies when deciding which goals prioritise. According to Porter & Kramer (2006), each firm must select issues that intersect with its particular business, whilst attending to possibilities to create value for the society upon which it impinges. Hence, this idea implies that diverging SDG priorities of Nordic firms and societies may be a result of companies heavily valuing their particular business nature, or that companies define 'society' beyond the national level.

Further, when firms prioritise social issues, Porter & Kramer (2006) introduce the concepts of 'responsive CSR' and 'strategic CSR' for the development of the corporate social agenda. Due to the identified disparity between corporate and societal SDG priorities, the Nordic approaches to SDG reporting can largely be characterised as actions of strategic CSR. From this perspective, the SDG priorities are not to be interpreted as generic moves of societal philanthropy or 'good citizenship'. Priorities are instead to be viewed as social disclosures aimed at leveraging shared value, whilst seeking to improve the firm's competitive context.

5.2.3. Nordic SDG Reporting – Quality and Format

This report has also developed six key variables on the SDG reporting quality and format. Results for these variables have been shown in Appendix F-J. Further, findings for each variable has been summarised and aggregated in Table H for the purpose of this analysis.

Table H: Sampled Companies Reporting on Variables for Quality and Format

Quality and Format – Variables	Total	DK	SE	NO	FI	IS
1. Reporting on SDGs	**44**	9	10	10	9	6
2. Referring to SDGs as ‘priority’ or ‘impact’ areas	**38**	8	9	8	8	5
3. Prioritising SDGs based on corporate nature	**31**	7	9	8	5	2
4. Linking SDGs to corporate targets	**24**	8	2	7	5	2
5. Linking SDGs to corporate progress	**27**	8	4	6	6	3
6. Linking SDGs to SDG targets of Agenda 2030	**13**	4	3	3	2	1

The findings of the report show that Icelandic corporations are generally lacking behind on the developed SDG reporting variables. For example, Table H illustrates how only six of the sampled Icelandic firms have included the SDGs in their most recent annual disclosures. However, according to Brammer & Pavelin (2008) the quality of CSR disclosures is found to be correlated with company sizes, which are significantly lower for the sampled companies of Iceland as shown in Appendix J. As reporting constitutes higher proportional costs for smaller firms (Wickert et al., 2016), the variance between practices of Iceland and the other Nordic states may thus be attributed to differing company resources rather than geography.

Generally, nearly all of the sampled companies of Denmark, Sweden, Norway and Finland are engaging with SDG reporting. The figures of these countries are also high with respect to the number of firms explicitly referring to SDGs as corporate ‘priorities’ or ‘impact’ areas. For example, the Norwegian firm of Telenor strictly prioritises to report on SDG 10 (Reduced Inequalities) as this goal is embedded in the firm’s global business strategy (Telenor, 2019). Another approach is conveyed by companies like the Finnish KONE, who instead prioritises goals according to the SDG impact of its operations (KONE, 2018). However, firms outside this statistic are generally not found to refer to any alternative reasoning for reported SDGs.

Table H also shows that a large share of Nordic corporations is selecting reported SDGs based on the nature or business model of the firms. As an example, the SDG reporting of the Swedish company, Skanska, is centred on the existing nature of the business given the company's current endowments (Skanska, 2019). However, the Agenda 2030 highlights how sustainable developments should be based on transformative steps (United Nations, 2015a), thus implying that companies cannot rely on 'business as usual' vis-à-vis the SDGs. This is supported by the paradigm on CSV, which suggests that the strategic focus point of firms must instead adapt to the non-static societal opportunities (Porter & Kramer, 2011).

As shown in Table H, it is also considered whether companies are linking SDGs to specific targets or progress. This is analysed in order to display if SDG disclosures have been put into a context that ensures comparability of the data. According to GRI (2020a), this ability to compare performance both internally and externally is one of the main benefits of effective sustainability reporting. Such an example is set by the Danish Carlsberg, which thoroughly reports on both SDG goals and associated progress (Carlsberg, 2019). However, the report only finds that about 50% of the sampled firms are reporting on SDG targets and progress, although distinctly recommended by NGOs such as FSR (FSR – danske revisorer, 2019c).

Finally, the report has reviewed the extent to which Nordic firms are reporting on the official 169 SDG targets of the Agenda 2030 (United Nations, 2015a: 15-27). This aspect has been included to explore the level of depth and specificity of the sampled SDG reporting. As an example, Iceland's largest company, Icelandair, links prioritised SDGs to the official SDG targets in order to develop concrete sustainable development focus areas (Icelandair, 2019). Although GRI & UN Global Compact (2017) have published comprehensive firm guidelines for the integration of SDG targets into corporate disclosures, this report has found that only 13 of the 50 sampled Nordic corporations report on official SDG targets as show in Table H.

Although not disclosed, a note is also made that the report has not found any of the examined SDG reports to include data on the official 232 SDG indicators (United Nations, 2017). These findings thus indicate that Nordic firms are mainly reporting on the Agenda 2030 at the SDG level, although the inclusion of dimensions such as the SDG targets can help firms to define priorities and to report on progress being made (GRI & UN Global Compact, 2017).

5.3. Sub-Conclusion

The following conclusions have been summarised vis-à-vis the societal SDG priorities of the Nordic countries and the examined SDG reporting of the 50 sampled Nordic corporations.

The report finds that the most emphasised national SDG priorities of the Nordics include SDG 8 (Decent Work and Economic Growth) and SDG 3 (Good Health and Well-Being). On the regional level, the primary Nordic SDG priority has in turn been found to be SDG 12 (Responsible Consumption and Production), and via the concept of CSV, the report views these identified priorities as the primary societal focus areas for shared value in the region. Through outside-in CSV linkages, the prioritised SDGs have been found to influence private sector organisations of the Nordic countries, thus further obligating responsible government entities to elicit SDG initiatives in value terms to enable the collaboration with businesses.

For corporations, the report has found SDG 13 (Climate Action), SDG 8 (Decent Work and Economic Growth), and SDG 12 (Responsible Consumption and Production) to be the most prioritised goals of the sampled Nordic reports. However, when individual corporate and societal priorities are compared on the national level, the report has not found any cogent relationship to exist between these focus areas. Instead, it is indicated that the Nordic firms may be aligning SDG reporting with higher governance levels, as a stronger linkage is found with the regional SDG priority. As SDG disclosures are thereby not viewed as responsive to societal priorities in general, Nordic firms are thus found to be engaging with strategic CSR.

Based on six variables for the quality and format of SDG reporting, it is found that sampled Icelandic companies generally score lower on these parameters than other Nordic states. The majority of firms in these remaining countries are engaging with SDG reporting, and it is also found that a large share of these corporations refers to included SDGs as ‘priorities’. A great number of firms further indicate reported SDGs to be rooted in the nature of the business, although this may be contested by the CSV paradigm which stresses the value of focusing on societal opportunities. Lastly, the report also finds that less than 50% of the sampled firms link SDGs to corporate targets/progress or report on the official SDG targets.

6. Analysis II – Interviews

For the purpose of this report, a total of 12 qualitative interviews have been conducted with various representatives of different stakeholder groups of the Agenda 2030. The transcripts of these interviews are presented in Appendix L-W and serve as the qualitative foundation for the further analysis of the report. Derived from the overall research question, this analysis has thus been structured into three highly interlinked sections as illustrated via Figure M.

Figure M: Structure of Qualitative Analysis

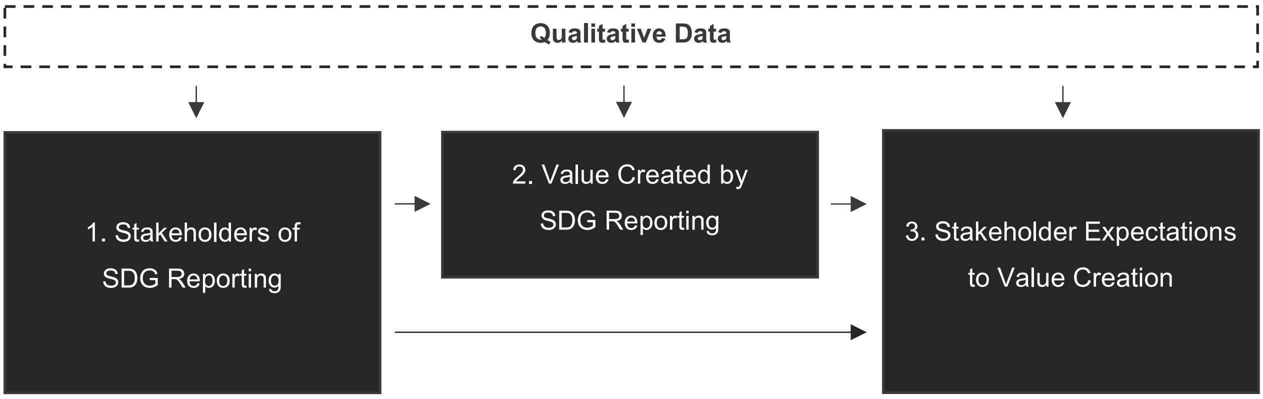


Illustration of the utilisation of data and the coherence between following sections. Source: Own creation.

Firstly, the report seeks to map out the relevant stakeholders of the SDGs as identified by the interviewees of the report. With these in mind, it is then explored what type of value that can be created for such external parties though corporate reporting on the SDGs. Finally, it is assessed how current reporting practices are living up to expectations of the recognised stakeholders, and how private organisations are expected to select certain SDG priorities for their reporting. The ultimate aim of the analysis has thus been to review how the sampled interviewees perceive the value of current SDG reporting and its potential for improvements.

As mentioned earlier, it is stressed that the scope of the report has only allowed interviews to be conducted with entities and individuals from Denmark. The analysis is thereby to be seen as a case study for possible broader trends for SDG reporting in the Nordic countries. Although efforts have been made to analyse all relevant viewpoints of the Danish interviews, nuances to some of the analysed ideas have been excluded due to the study's limited scope.

6.1. Stakeholders of SDG Reporting

In order to explore the type of value being created through SDG disclosures, this report firstly aims to outline the recognised stakeholder groups of this type of corporate reporting as indicated by the sampled interviewees. This has been done as the perceived final users are assumed to significantly shape the format and thus the ingrained value of SDG reporting. Hence, the following section seeks to review the characteristics and claims of the identified stakeholders and outline their role vis-à-vis the value created by reporting on the goals.

As summarised in Figure N, the interviewees of this report have expressed a wide plethora of actors to have a direct or indirect stake regarding corporate SDG reporting. The included parties are comprised of all relevant stakeholders of the phenomenon as mentioned in the conducted interviews cf. Appendix L-W. Yet, the report has found that interviewees generally appreciate 'Financial Decision-Makers', 'Employees' and 'Non-Investor Stakeholders' to be of particular relevance in relation to reporting on the SDGs. These groups will thus serve as the primary focus points for the purpose of the analysis of this report, although it has been acknowledged that a number of further stakeholder groups exists as shown in Figure N.

Figure N: Stakeholders of SDG Reporting

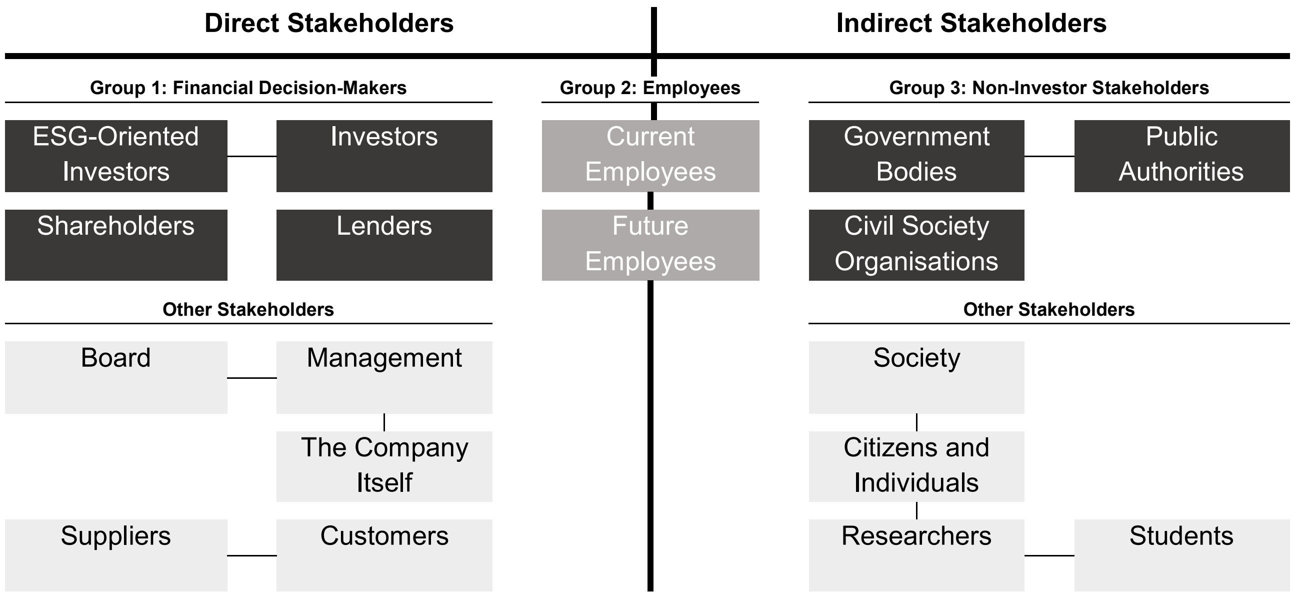


Illustration of all stakeholders of SDG reporting, as mentioned by interviewees of the report cf. Appendix L-W. Highlighted stakeholders are included in the identified primary stakeholder groups 1-3. Source: Own creation.

6.1.1. Group 1 – Financial Decision-Makers

In the conducted interviews, the most heavily emphasised stakeholder group of corporate SDG reporting has been captured by this report as the related 'Financial Decision-Makers'. An illustrative definition of this particular stakeholder group has thus been defined by BM:

"The audience is first and foremost the financial stakeholders of the company. That is, those who have an interest in the corporate development, status and performance. Firstly, this is the owners, shareholders and lenders, who will find this interesting." (Appendix L: 10:54).

As an extension to this refinement, KJ further suggests the relevance of SDG reporting to the corporate investors (Appendix O: 02:28), which has also been noted by nearly all other interviewees. In fact, JS questions if financial decision-makers are really to be seen as the only legitimate corporate stakeholder group, as he notes that this is the single group which will always have a decisive claim – even during financial struggles (Appendix V: 23:33).

Following this argument, SG goes on to describe how Novozymes views investors as one of the key audiences of their SDG reporting (Appendix W: 06:09). Although all interviewees subscribe to the relevance for financial stakeholders, the specific relevance to investors has been debated in this context. According to JC, it may not be all investors who agree that the SDGs have truly appeared on their radar in relation to potential financial decision-making (Appendix U: 14:26). This view is also shared by LS from Mærsk who therefore distinguishes between investors with a certain ESG-orientation and a more general segment of investors to whom the value of SDG reporting may not be as strikingly apparent (Appendix S: 05:53).

However, AL indicates in broad terms that the investors of Ørsted are highly focused on the company's non-financial results and aspirations, due to their correlation with the economic performance of the organisation (Appendix R: 08:36). By drawing a parallel to the rising popularity of financial instruments within sustainable finance, HB of Deloitte thus implies that investors are increasingly recognising the value of ESG data such as corporate reporting on the SDGs (Appendix Q: 16:15). Ultimately, SDG reporting is perceived to assist investors to determine whether to continue engagements in a given firm (Appendix M: 01:34) as well as to send positive signals and meet the expectations of potential lenders (Appendix L: 03:28).

6.1.2. Group 2 – Employees

Another stakeholder group of SDG reporting, which has been highlighted by interviewees of this report, is comprised of the 'Employees' of a given corporation. As an example, the value of SDG disclosures in relation to the company's employees has been described by LS:

"It provides a framework for communication in relation to employees – creating a common language. The SDGs are a very broad platform, which we also face regularly as citizens and consumers. Therefore, it is also something that matters to employees." (Appendix S: 11:17).

Thus, as a common medium of communication between an organisation and its workforce, the value created by SDG reporting to employees is also emphasised on a general level by MK from Copenhagen Business School (Appendix P: 08:36) and MT from Dansk Erhverv (Appendix T: A.1.3.). However, as illustrated in Figure N, this report has further divided the stakeholder group into the sub-categories of 'Current Employees' and 'Future Employees'.

As it was the case for the investors of Novozymes, SG also defines their current employees as a key audience to the reporting on the SDGs (Appendix W: 06:09). In fact, JC from the Global Compact Network Denmark indicates how a company's process of developing its SDG reporting may also hold internal strategic value to the management and board of the organisation (Appendix U: 16:47). For the company's broader employee segment, AG notes how the inclusion of SDGs in the annual reporting can be a way to inform employees about general developments in the firm over the year. In turn, it may also be a tool for employees to assess whether they wish to continue for working for the company (Appendix M: 01:34).

As mentioned, Figure N further outlines that corporate reporting on the SDGs can create value for potential future employees. For example, this particular group has been highlighted by KJ as one of the main target groups of SDG reporting (Appendix O: 02:28). This viewpoint is further supported by BM from FSR – danske revisorer, who explicitly suggests that SDG reporting can be a tool for companies to attract new employees (Appendix L: 03:28). The perceived quality or relevance of SDG reporting among potential employees may thus be viewed as a parameter for competition between businesses as explored later in this report.

6.1.3. Group 3 – Non-Investor Stakeholders

Finally, the interviewees of this report have also found the 'Non-Investor Stakeholders' of companies to have a particular interest in relation to their reporting on the SDGs. According to HB, actors of this segment should be increasingly considered by firms, as she explains:

"Consumers, civil society and regular citizens are more and more sceptical towards firms, so they have to bring more and more information which is trustworthy (...). But if they do that adequately, then I think that it is a powerful story about value creation" (Appendix Q: 12:33).

Hence, meeting the demand of the non-investor stakeholders with respect to SDG reporting may thus offer great potential for the corporate value creation. However, it should be noted that the report does not consider consumers to belong to this particular stakeholder group. The included sub-categories of actors are depicted in Figure N and are comprised of various entities who have a stake vis-à-vis the general reputation of the firm (Appendix M: 01:34).

As indicated by the interviewees, relevant civil society organisations have been found to be among the most prominent non-investor stakeholders of SDG reporting. In this connection, it is stressed by JC that the institutional landscape of e.g. NGOs is very strong in Denmark. Influential voices also exist among these actors, who can be quick to point their finger at companies, when they do not live up to their promises (Appendix U: 16:47). As a general example of civil society stakeholders, AL mentions that the SDG reporting of Ørsted is of great interest to green NGOs such as Greenpeace and WWF (Appendix R: 08:36). Further, AL also stresses the interest of governments and other societal actors (Appendix R: 02:07).

However, with respect to governments and public authorities, the role of these actors in relation to SDG reporting has been debated among the interviewees. Hence, AG claims that the value created by SDG disclosures for these parties is currently very low, as no legislation or structured reviews have been implemented for this type of reporting (Appendix M: 01:34). Yet, JP from PwC notes that it is still relevant for companies to consider the authorities when engaging with SDG reporting, as high-quality voluntary disclosures may pre-empt potential future legislation to be made within the field (Appendix N: 12:10). This same argument is also shared by KJ, who is a current member of the Danish Parliament (Appendix O: 07:29).

6.1.4. Theoretical Analysis – The Role of Stakeholders

As explored in the previous sections, the interviewees sampled for this report refer to a number of different actors from whom value is created by the reporting of firms on the SDGs. Although all mentioned interest groups have been included in Figure N, it may be discussed whether weight is truly to be given all of these groups. This argument is elaborated by SG:

"There are two schools of thought. Earlier, the annual report was just sort of an instrument to informing you investors and for them to make financial decisions (…). But there is another school of thought that says that annual reports are not just for investors, but it is actually for your own employees, other stakeholders and your local community" (Appendix W: 19:18).

This shift in the organisational orientation has also been captured by scholars through the introduction of 'the stakeholder approach' (Freeman, 1984). However, as presented earlier, it is questioned by JS whether companies legitimately apply a stakeholder perspective to their operations (Appendix V: 23:33), thus implying a persistent underlying inclination of firms towards the traditional prioritisation of shareholders (Friedman, 1970). In turn, SG does not regard shareholders as the only focus of corporate reporting (Appendix W: 19:18), which is further supported by the majority of the interviewees. Instead, BM has highlighted how shareholders may be viewed as primary stakeholders of the reporting (Appendix L: 03:28).

In his theory on the stakeholder view of the firm, Freeman (1984) emphasises the value of internalising claims from parties external to the organisation. Hence, it is expressed by JP from PwC how sustainability reporting in general is divided into both internal and external branches of reporting. It is thereby this particular external reporting which is addressed to an audience beyond the corporate investors (Appendix N: 11:37), thus acting as a medium for engaging with parties of the external environment. AL additionally stresses how this may be further relevant with respect to SDG reporting, as a multitude of stakeholders to Ørsted know and understand the message conveyed through the global goals (Appendix R: 06:58).

According to LS, the interest in the SDGs among stakeholders is also viewed as one of the core reasons for why Mærsk is reporting on the goals (Appendix S: 05:53). This approach is thereby strongly linked to the theory that the success of the enterprise is hinged on the attention to claims of external stakeholder groups (Freeman, 1984). In practice, however, it is questioned by KJ whether corporate disclosures on the SDGs are really being assessed by others than the investors of a firm (Appendix O: 02:28). This scepticism is also shared by MK, who further contests if the actual disclosed content of corporate sustainability reporting is really being read by others than researchers and business students (Appendix P: 24:32). Nevertheless, the stakeholder view (Freeman, 1984) has been applied by a vast majority of the interviewees in relation to the value created by SDG reporting. In the interview with JC, this is also the case, as it is elaborated upon why this may even be an expanding tendency:

"There are more stakeholders who are interested in the reporting on the SDGs. Potentially also from a perspective that they somehow review and increasingly monitor whether the companies actually live up to the promises they state in their reporting" (Appendix U: 16:47).

In the view of Mitchell et al. (1997), this development may thus be perceived as a growing degree of overall stakeholder legitimacy, as claims vis-à-vis SDG reporting are becoming gradually more concerned with assessing desirable or appropriate corporate behaviours. As stated by JS from the Ministry of Foreign Affairs of Denmark, this may especially be true for individuals or potential customers who are subject to societal movements on e.g. pollution issues and climate change (Appendix V: 05:31). Although these actors are seen as 'Indirect Stakeholders', they are still viewed to possess a high degree of power since they effectively constitute the market which may punish insufficiently sustainable firms (Appendix V: 23:33).

Essentially, each of the defined primary stakeholder groups of SDG reporting cf. Figure N are regarded as 'definitive stakeholders' (Mitchell et al., 1997) as each group is recognised to have salient claims, i.e. displaying some degree of both legitimacy, urgency and power. For example, HB from Deloitte indicates how investors are becoming more acutely oriented towards the value of SDG reporting (Appendix Q: 33:56). Further, HB also emphasises how employees are increasingly mistrustful to corporate CSR reporting (Appendix Q: 42:11) as parallels can be drawn to the dubious concept of greenwashing (Delmas & Burbano, 2011). However, it should be noted that the salience of these claims is not viewed as a steady state, but that attributes are dynamic and may fade or intensify over time (Mitchell et al., 1997).

6.2. Value Created by SDG Reporting

Building on the stakeholder analysis of the previous section, the report seeks to explore the types of perceived value being created through SDG reporting for these stakeholder groups. This has been done through the identification of emphasised patterns among the sampled interviewees of this report vis-à-vis the SDG disclosures published by private organisations.

Hence, the following analysis develops four primary perspectives to identified value creation via SDG reporting. These include the value of reporting compared to strategy, the value of communicating through the goals, the economic perspective to reporting on the SDGs and the value created by addressing the goals to manage the corporate image and reputation. Although these aspects have been recognised as the overarching types of value created through SDG reporting, as stated by the interviewees, the analysis reveals a high degree of interconnectedness between each of the perspectives. These should thereby all be viewed as components of a collective mechanism for the creation of value by reporting on the SDGs.

6.2.1. SDG Reporting & SDG Strategy

In relation to the interviews conducted for this report, an important distinction has been made by the sampled respondents between the two concepts of SDG reporting and SDG strategy. Although these phenomena may be closely linked in practice, a differentiation should be made with respect to the value creation process, as explained by MT from Dansk Erhverv:

"Reporting on the SDGs is not value creating in itself, since it will always be the corporate actions behind the reporting, which will create the impact and value." (Appendix T: A.2.1.).

This argument is further supported by JC, who insists that working with and reporting on the goals should be viewed as two separate functions (Appendix U: 07:24). Hence, reporting on the SDGs may thus be perceived as an ex-post mechanism, where the generation of value is preconditioned by the actual internalisation of the SDGs in the organisation. This view is also expressed by AG from Novo Nordisk, who identifies reporting as the 'end-result' of a greater underlying process (Appendix M: 00:17). With respect to value creation, HB further claims that corporate actions and behaviours are to be reformed antecedently, before SDG reporting can act as a medium for disclosing data on achieved value (Appendix Q: 33:56).

According to JP, however, the SDGs are currently receiving more significant attention with respect to corporate reporting rather than the development of strategy (Appendix N: 02:42). Although this may be a hindering to direct value creation, it is implied by KJ that the focus on reporting can shape an initial consciousness of the SDGs which may result in subsequent actions directed at the goals and the overall sustainability of the firm (Appendix O: 01:29). Tangible value may thus not be generated first-hand by SDG reporting, but as suggested by HB (Appendix Q: 33:56), incremental steps towards corporate sustainability may drive a later value generation as proposed by the paradigm on 'theories of change' (Brest, 2010).

However, not all interviewees concur with this assumption. It is thus questioned by MK from the Copenhagen Business School whether the SDGs really challenge the status quo of firms (Appendix P: 03:09) and if their SDG reporting creates any value at all (Appendix P: 08:36). This critique thereby reflects the theory of decoupling (Dillard et al., 2004), as it is implied that displayed practices may not be integrated into managerial and operational processes. Yet, it is the majority of the sampled interviewees, who views corporate SDG disclosures as a means for companies to create legitimate societal value cf. Appendix X. As asserted by AG, the ambiguous value creation may be a result of the current maturity of SDG reporting:

"What I think will happen eventually is that companies will to a larger extent understand the value they are generating for the surrounding society. When they understand this value, then it should also be in the annual reporting, (…) because the value they create is also the basis for the value which they can in turn extract from the system." (Appendix M: 09:57).

This expressed ambition of greater ties between companies and societies can be thereby be linked to the shared value concept, which also focuses on the simultaneous creation of both economic and societal value (Porter & Kramer, 2011). In fact, AL views this linkage as a causal driver for the improved overall reporting, when the challenges of society are being addressed through the SDGs (Appendix R: 08:36). However, as noted by HB from Deloitte, it should be stressed that such value creating SDG reporting relies on strategic processes such as the adequate analysis of stakeholders and materiality (Appendix Q: 02:44), which thus further highlights the mutual dependency between SDG reporting and SDG strategy.

6.2.2. Communicating through the SDGs

Considering the value of currently observed SDG disclosures, the interviewees of this report emphasise the employability of the goals as a tool for communication in the annual reporting. As affirmed by BM from FSR – danske revisorer, one of the defining characteristics of the SDGs is their clear format and understandability among stakeholders (Appendix L: 03:28). In a reporting context, the applicability of the goals is also perceived to be more concrete for firms (Appendix Q: 21:07). This mutual value creation is thus described by AL from Ørsted:

"We think that the SDGs are a great framework, because they are a common denominator for our reporting across businesses and national borders. It is a kind of common language (…) and a good opportunity to open the important dialogue and collaboration with NGOs, civil society organisations, governments, companies and other actors." (Appendix R: 02:07).

The notion of SDG reporting as a 'common language' for societal actors has been repeatedly stressed among interviewees, e.g. by JP (Appendix N: 02:42) and LS (Appendix S: 05:53). This is also highlighted by MT from Dansk Erhverv, who further suggests how this degree of commonality makes SDG reporting a powerful tool for the private sector to describe their efforts towards solving the challenges of society (Appendix T: A.1.1.). Hence, with respect to the creation of shared value (Porter & Kramer, 2006), SDG reporting may thus be offering a unifying platform for companies to address the increasing external pressures for ethical corporate behaviour and social responsibility among the enquiring stakeholders of the firm.

Furthermore, the embedded agenda of the SDGs is found to be articulated with such a broad appeal that it can virtually be used by all actors of society (Appendix R: 04:56). Although this may be perceived as a type of value in itself (Appendix S: 22:50), the primary potential for value creation is viewed by JC to be the ability for companies to develop a communication which gives an easily accessible overview for stakeholders of the firm (Appendix U: 11:11). This is also emphasised by HB from Deloitte, who underlines how communicating through the SDGs can act as a highly effective mechanism in order to secure the promotion of a common understanding between companies and other societal entities (Appendix Q: 07:55).

When utilising the SDGs for corporate communication, the interviewees of this report have stressed how the goals can help to define the overall purpose of an organisation. As stated by JC from the Global Compact Network Denmark, the SDGs can thus especially be a way for larger companies to link their business to a greater set of ambitions (Appendix U: 07:24). Hence, this is also exemplified in the case of Novozymes, as SG describes how the firm has holistically implemented the global goals to define the organisational purpose and strategy (Appendix W: 06:09). According to HB, this is one of the notable benefits of the SDGs as they help tie together economic, social and environmental aspirations (Appendix Q: 10:54).

Although the SDGs may be used in both contexts, a distinction is made by the interviewees between communicating on the purpose and the goals of a given company. With respect to the corporate purpose, this may be viewed as the overarching strategic direction of the firm (Appendix L: 03:28). From a more practical perspective, however, the SDGs can also be related to individuals targets and goals of an organisation, as suggested by JP from PwC:

"In reality the SDGs are what you could call 'impact goals'. That is, these are ways in which the companies can set targets for their operations and future in order to secure sustainability over a longer period of time and in a wider corporate context (…)." (Appendix N: 04:34).

Yet, when associating corporate objectives to the SDGs, an expressed fear is that these linkages may thus be perceived in a light of greenwashing (Delmas & Burbano, 2011) as stated by HB (Appendix Q: 10:54). In terms of reporting on the goals, this should thus be kept in mind since the Agenda 2030 is more oriented towards actions rather than reporting (Appendix Q: 07:55) and since the nature of SDGs conveys a story about the societal end destination, but without specifying how companies get there in practice (Appendix U: 02:00).

Creating legitimate value through the communication on the goals is therefore initially found to rely on the ability of companies to communicate on their SDG impact (Appendix T: A.1.3.). In this connection, the SDGs are further perceived to be an opportunity for firms to publicly disclose information on explicit targets and milestones vis-à-vis their impact on the goals (Appendix L: 08:17), thus holding the potential to communicate to stakeholders that the SDGs have an actual influence to change current business operations (Appendix P: 04:57).

6.2.3. The Economic Perspective

As explored in the previous sections, SDG reporting can create value by functioning as a tool for communicating on corporate sustainability. Hence, JS from the Ministry of Foreign Affairs of Denmark elaborates on the economic aspect resulting from sustainable practices:

"It is just a good 'business case', and you earn more money the more sustainable you are. We still face the old discourse that those aspects are each other's opposites (…). But that is some nonsense and we have moved on from there. (…) Because corporate sustainability means – also financially – that you earn as much money as possible." (Appendix V: 23:33).

Following this argument, it can be implied that the actual reporting on sustainability and SDGs does not create financial value in itself (Appendix R: 06:58). However, links may be increasingly drawn between sustainability reporting and the financial bottom-line as a great share of what is being reported also has an economic effect for the firm (Appendix N: 05:48). For example, improved reporting could result in intangible benefits such as the improved access to sustainable financing (Appendix Q: 16:55). More direct effects could in turn be the awareness of cost inefficiencies, e.g. internal management of waste (Appendix N: 05:48).

Applying the paradigm of CSV, such financial benefits resulting from SDG reporting can thus be interpreted as the economic or company-centred incentive to the creation of shared value (Porter & Kramer, 2006). Furthermore, since aspects such as climate change are gaining significant influence in the financial sector (Appendix U: 14:26), large multinational investors are also heightening their demands for sustainable corporate practices (Appendix N: 25:42), thus supporting the economic motivation for engaging with reporting on sustainable matters.

In addition, it is emphasised by the interviewees how the organisational implementation of the SDGs can be viewed as a means for business development (Appendix U: 02:00). Hence, this comprises another economic advantage of the goals, as SDG reporting can be seen as a way for companies to document this understanding of how to operate their business in the future (Appendix M: 01:34). As stated by JC, that can also create financial value for firms wishing to expand internationally, as the ability to document a 'green conscience' can help businesses to forge strategic partnerships with foreign governments (Appendix V: 05:31).

A large share of the interviewees also notes that good SDG reporting essentially acts as an evaluation of corporate risks (Appendix U: 11:11) which may to a larger extent belong in the risk management section of the annual reporting (Appendix L: 16:22). To investors, this can create further economic value, as the identification of risks through the SDGs signals that the firm aims to foresee potential operational obstacles (Appendix N: 09:51). Although it may be inevitable that companies will be affected by arising externalities related to sustainability, engaging with initiatives like SDG reporting may be a way to show that management applies a long-run business approach to firm issues, such as climate change (Appendix U: 14:26).

According to AG from Novo Nordisk, using the SDGs as an instrument for reporting on risks may thus contribute to the understanding of the firm as an investment project for prospective long-term oriented investors (Appendix M: 09:57). Hence, the informational value of SDG reporting can be interpreted to go beyond that of financial data, as elaborated upon by HB:

"Up until now, most companies have reported on the financials – but that is not the full story. And the conclusion, which we have all arrived at, is that if you only report on that side of the story, then you miss the linkage to what have created these financials (…). Something which gives a 'license to operate' and the acceptance as a societal actor." (Appendix Q: 07:55).

From an economic perspective, a social license to operate can thus be perceived as being a stakeholder requirement for businesses to exist in today's society (Appendix L: 03:28). This mechanism therefore confirms the theory of 'legitimacy gaps' (Lindblom, 1993), since firms failing to conform with these societal requirements risk being punished by the market (Appendix Q: 27:19) if actions are not viewed as desirable or appropriate (Suchman, 1995).

Ultimately, the business case of SDG reporting is highly focused on the ability of companies to display their engagement and awareness of the surrounding society (Appendix U: 11:11). Reporting on the goals may thereby be part of the establishment of a social contract between the firm and its stakeholders (Deegan & Unerman, 2011). As noted by JP, SDG reporting effectively showcases how the company internalises present externalities, which is of value to various financial actors (Appendix N: 25:42). The increased legitimacy resulting from SDG reporting can thus contribute to continuing survival of the firm (Dowling and Pfeffer, 1975).

6.2.4. Image & Reputation Management

Another aspect of value creation through SDG reporting is noted by the interviewees to be the utilisation of the goals to enhance the corporate image and reputation. As stated by JP, there have been various examples in the past of companies suffering economic losses as a consequence of the public dissection of their less sustainable practices (Appendix N: 07:50). Hence, as the SDGs are gaining momentum (Appendix U: 03:56), firms are finding ways to shape the public perception of their business as stewards of society with the potential of 'doing good' (Appendix M: 01:34). Examples of this include companies displaying their SDG linkages on corporate websites (Appendix R: 10:33) or at public events (Appendix M: 01:34).

By essentially using the SDGs as a tool for marketing social responsibility, firms are tapping into the message of the Agenda 2030, that companies are capable of contributing towards societal progression (Appendix S: 09:15). However, the increased focus on sustainability is also found to entail an element of vulnerability, as the reporting of firms thus demonstrates what is being achieved and what is not (Appendix O: 01:29). Although SDG reporting may be a good way to draw attention to philanthropic anecdotes (Appendix P: 08:36), questions are being raised vis-à-vis the legitimate intentions of firms to communicate on sustainability (Appendix N: 07:50). This effect is also stressed by MK from Copenhagen Business School:

"This whole agenda around sustainability has been articulated in such a manner that it really completely fits into the way companies are currently being run. That means that it can still be possible to continue operating your business, and then claim to be sustainable, without really changing much more than emitting less CO_2, and then that is it." (Appendix P: 03:09).

Theoretically, this claim thus relates to the concept of decoupling (Dillard et al., 2004), as it is feared that discrepancies may exist between the reporting and the actual behaviour of firms in relation to sustainability (Deegan & Unerman, 2011). This general concern is also shared by AG, who especially worries that already established organisations may apply SDG reporting in retrospect (Appendix M: 05:48), thus failing to leverage the transformative potential of the goals. Although it is stated by Nasi et al. (1997), that the value of legitimacy may be captured by the mere construct of stakeholder perceptions, it is criticised if corporate implementation of the SDGs is really living up to the reported promises (Appendix N: 25:50).

Nevertheless, it may be argued from a business perspective, that large firms in particular simply cannot ignore addressing their interactions with society (Appendix N: 20:48). In order to manage potential legitimacy gaps (Lindblom, 1993), companies may thus be forced into reporting on matters represented by the SDGs, due to the magnitude of the current political shift of paradigm related to e.g. environment and climate (Appendix V: 04:27). Hence, KJ also views corporate SDG reporting as a way to address pressures for acquiring new talent:

"If you do not do it, and if you do not document it, then you risk lacking behind when young people finish their education and are to choose whom to work for. Therefore, it will be a good opportunity for firms to already begin reporting on the SDGs now." (Appendix O: 00:40).

In fact, the improved attraction of human capital is repeatedly mentioned by the interviewees as one of the value creating features of SDG reporting. This is particularly true with respect to appealing to millennials entering the labour market (Appendix Q: 10:54) as this generation is found to have new cultural requirements for prospective employers (Appendix N: 09:51). As noted by MK, the millennials are more opinionated about matters related to sustainability (Appendix P: 09:57), thus setting demands for modern companies to deliver on this agenda, and to a larger extent offer purpose-driven employment opportunities (Appendix V: 06:58).

In this connection, the corporate image on sustainability may play a crucial role in the future competition for skilled talent (Appendix N: 25:42). SDG reporting can thereby act as a tool for firms to differentiate themselves in this context (Appendix Q: 10:54), as it is stated by SG from Novozymes that reporting on the goals is found to create a lot of goodwill among the employees, whilst showing that the firm has the heart at the right place (Appendix W: 06:09).

Linking these described effects to the theory on CSV, the management of corporate image and reputation through SDG reporting may thus be interpreted as a factor for competition on the social dimensions of firms (Porter & Kramer, 2006). In essence, companies can be perceived to compete on their efforts towards contributing to society through the application of the SDGs (Appendix U: 11:11) and through the use of the goals to display and explain the sustainable focus areas of the company (Appendix T: A.1.2.). The best SDG reporting thus comprises a competitive advantage for firms in relation to CSV (Porter & Kramer, 2011).

6.3. Stakeholder Expectations to Value Creation

Through the preceding sections, this report has established the primary stakeholder groups of SDG reporting and the potential value that can be created with these types of disclosures. Hence, this section aims to bring these findings together, as stakeholder expectations to SDG reporting are being analysed, as expressed by the sampled interviewees of this report.

As indicated in Appendix X, a significant majority of the interviewees find that the value currently created by corporate disclosures on the SDGs do not live up to their expectations. This report thereby implies that an expectation gap exists between current SDG reporting practices and the associated potential for value creation being perceived by stakeholders. Hence, the following section aims to explore the nature of this discrepancy. This is done by firstly analysing the expressed responsibility of businesses in relation to SDG reporting and the consequential expectation gap. Finally, the issue of selecting reported SDG priorities is being analysed, as this is one the most prominent features of the indicated expectation gap.

6.3.1. The Responsibility of Businesses

In order to fully comprehend the stakeholder expectations to corporate SDG reporting, it is firstly explored how the interviewees of this report view the overall role of businesses in relation to the global goals. Compared to the MDGs, it is described by AL from Ørsted how the SDGs have been articulated in a way that directly addresses the engagement of firms:

"It can be argued that the fact, that the UN system has a set of global development goals, is not really something new. But the way I see it, the novelty is that the private sector has been included from the beginning in relation to solving these challenges." (Appendix R: 02:07).

This view is also shared by HB, who sees the Agenda 2030 as a more balanced stakeholder project, where the actors of the private sector have had great opportunities to take part in the development of the SDGs (Appendix Q: 30:48). As noted by LS from Mærsk, this broader inclusion of stakeholders in the development process has thus also managed to create a wide sense of ownership among the parties behind the initiative (Appendix S: 05:53). Rather than simply comprising a resolution that businesses are involuntarily subject to, it could thereby be argued that the Agenda 2030 essentially arises from cross-societal co-creation.

As an outline of focus areas for global challenges until 2030 (Appendix N: 04:34), the SDGs aim to define the prioritised needs of society (Appendix W: 06:09). In this connection, the embedded role of the private sector in the definition process thus also implies a greater degree of responsibility of firms vis-à-vis the implementation of the goals. Hence, MT states:

"At Dansk Erhverv, we believe that the Sustainable Development Goals should be seen as a strategic framework for firms to work with sustainability (…). Working with and reporting on the goals allows the individual company to show to the world, that it is part of the solution rather than the challenge with respect to sustainable developments" (Appendix T: A.1.1-2.).

Although the finished format of the SDGs may be argued to resemble a set of national KPIs (Appendix Q: 07:55), the goals have been developed so they can be adopted by companies and implemented into their strategy and daily operations (Appendix N: 05:48). Thereby, the responsibility of firms has been linked to the goals (Appendix W: 06:09), since the SDGs fundamentally institutionalise the social obligations of the private sector (Appendix S: 09:15).

However, the interviewees of this report express different opinions on how companies are to approach the responsibility ingrained in the SDGs. Notably, HB from Deloitte suggests that the sheer societal impact of large corporations require these organisations to take this responsibility upon themselves (Appendix Q: 45:22). This perspective therefore represents the view of the legitimacy theory, as it rests upon firms to adapt to desirable or appropriate norms of society (Suchman, 1995), and thus acknowledge a responsibility for the SDGs that goes beyond the utilisation of the goals for mere business development (Appendix S: 17:47).

In contrast, another view is presented by JP from PwC, who in turn believes that it cannot be expected that businesses will instinctively assume a responsibility which in effect rests upon governments (Appendix N: 07:50). Hence, this interpretation of a corporate 'free will' (Appendix V: 23:33) is instead more closely linked to the CSV paradigm, as it suggests that the social behaviour of firms is a result of the competitive contexts (Porter & Kramer, 2006). In this view, sustainability is not a question of a ubiquitous moral, but rather an approach to secure business viability in the marketplace (Appendix V: 23:33). The co-existence of these perspectives thus also results in diverging stakeholder expectations to SDG reporting.

6.3.2. The Expectation Gap

As presented, it has been established that the interviewees of this report generally perceive companies to have an embedded role regarding the implementation of the SDGs. In relation to reporting on the goals, it is further shown in Appendix X, that a majority of the interviewees believe that societal value can be created through SDG reporting. However, as previously stated, Appendix X also illustrates that a strong majority does not believe that the value of current SDG reporting lives up to their expectations. With 11 out of 12 respondents being of this opinion, this report thus argues, that an expectation gap exists between value expected by stakeholders and the current value created by companies with respect to SDG reporting.

As the private sector's impact on society is increasingly recognised (Appendix N: 05:48), stakeholders such as BM from FSR – danske revisorer also expect more and more from the SDG reporting of companies by each year (Appendix L: 20:25). In fact, the expectations among stakeholders already emerged with the articulation of the goals, as explained by LS:

"Then there was an expectation to businesses. As the SDGs had been formalised, questions started piling up for us as companies – what do you do about them?" (Appendix S: 05:53).

This general rise in stakeholder expectations for social corporate behaviour thus verifies the circumstances presented by Porter & Kramer (2006), which induce the creation of shared value for private organisations. According to HB, stakeholders are becoming less tolerable towards companies as the SDGs enable society to confront firms with their social conduct (Appendix Q: 29:29). Further, as more and more stakeholders are gaining interests in the corporate SDG reporting (Appendix U: 16:47), companies like Mærsk are recognising these stakeholder expectations as their very reason for reporting on the goals (Appendix S: 05:53).

However, it is also noted that expectations to SDG reporting practices are found to arise internally in the private sector. As growing popularity of the initiative has led businesses to inspire each other to report on the goals (Appendix S: A.2.2.), firms who do not report on the SDGs fear not living up to the norms of these internal expectations (Appendix R: 06:58). Links can thus be drawn to the concept of mimetic isomorphism, as firms seek to preserve perceived legitimacy by conforming to practices of other firms (Unerman & Bennett, 2004).

The essence of the expectation gap for SDG reporting is multifaceted, as expressed by the interviewees of this report. Nevertheless, it can by noted that the current SDG disclosures are generally found to be inadequate (Appendix U: 03:56) and of a predominantly low quality (Appendix Q: 13:43). A common tendency has been found to be the insufficient allocation of resources to SDG reporting which may even to be true regardless of the given size of the firm (Appendix P: 15:49). Hence, JC from the Global Compact Network Denmark stresses:

"Global Compact has written a report about what can be called 'SDG washing', which is the whole exercise of being too fast and cutting corners in terms of the company's work with the SDGs (…). You need to do your homework, you need to assess your whole business and you have to put in extra effort, before it makes sense to do it." (Appendix U: 07:24).

As discussed later in this report, it is commonly indicated by the sampled interviewees that many companies are merely using the SDGs to contextualise already present sustainability reporting (Appendix N: 04:34). This is a major critique point to current reporting practices, as firms, who are simply mapping the SDGs to pre-existing efforts, fail to incorporate the full potential of the goals to change 'business as usual' (Appendix Q: 13:43). Instead, it is found that linkages should be drawn to actual initiatives resulting from the corporate reporting on the SDGs (Appendix U: A.2.2.). If this is not the case, reported SDG links risk to be perceived as decoupled (Dillard et al., 2004) from the actual business operations (Appendix P: 06:01).

Ultimately, this report finds that the growing stakeholder mistrust and scepticism towards companies (Appendix Q: 42:11) place the responsibility upon private sector organisations to resolve the identified expectation gap vis-à-vis the value of current SDG reporting. The later discussion section of this report therefore aims to further dissect the details of these unmet stakeholder expectations, i.e. by exploring potential improvements to the aspects of comparability, reliability, materiality and the issue of impact. The presented perspectives are thus also to be seen as a further elaboration of the levels of the expectation gap, and should be interpreted as a set of collective means to assist companies in bridging the expectations to convey a more holistic story about their overall business efforts (Appendix Q: 45:22).

6.3.3. The Issue of SDG Priorities

Before proceeding to the discussion of the results of this report, attention is drawn to the way in which firms are currently selecting the individual SDGs to include in their reporting. As highlighted by the interviewees, this issue is the perhaps most prominent exemplification of how the stakeholder expectations to SDG reporting can be highly complex and divergent.

Firstly, it should be emphasised that different approaches exist with respect to the proportion of the SDGs that apply to a given company. As an example, it has been stressed by some interviewees, that all SDGs are relevant to businesses to some extent (Appendix Q: 21:07), since all firms have touchpoints with all 17 goals (Appendix W: 11:47). However, a reverse point has also been made by respondents such as JP from PwC, who contrastingly argues:

"Companies should not prioritise all 17 goals in their reporting – that is untrustworthy. There are no businesses to which all 17 SDGs are relevant. I would typically say that 3-5 SDGs should be what you aim for and where you seek to be a good example." (Appendix N: 14:13).

For this statement, it is important to underline that the dissent among the interviewees only applies with respect to the applicability of the goals. In fact, it is accepted by all respondents that companies should limit the number of SDGs to include for external reporting purposes. Although firms may contribute to a high number of the goals (Appendix L: 03:28), companies are found to fear overcrowding their SDG reporting by disclosing on too many of the SDGs (Appendix W: 11:47). Instead, firms like Ørsted are being strategic and work selectively with their SDG reporting as efforts are made to focus the SDG priorities (Appendix Q: 09:42).

However, the overriding expectational divergence among stakeholders is found to relate to the method that companies should use to prioritise these reported SDGs. It is fundamentally agreed that it would be senseless to tackle all 17 goals (Appendix Q: 21:07), but different views are presented by the interviewees, as companies thus have to report on the SDGs that are most relevant to the firm (Appendix L: 03:28). Hence, through the analysis of the conducted interviews, this report has detected two primary schools of thought in this regard. These philosophies have thereby been respectively defined as the stakeholder-centred and the company-centred approach to the selection of SDG priorities to for corporate reporting.

The stakeholder-centred approach to prioritising reported SDG is found to be largely hinged on the idea of outside-in linkages between companies and society (Porter & Kramer, 2006). As social conditions influence the strategic capacities of corporations, it is presented by MK how the optimal prioritisation of reported SDGs is also affected by the societal environment:

"If you look at the CSR report, then it should give an account for what companies have done to the people affected by its operations (…). In the ideal reporting, it is thus not the company that is in focus – it is the society. That should also be the case here." (Appendix P: 13:20).

Based on the view that the external context significantly influences the structure of the firm (Porter & Kramer, 2006), other interviewees further emphasise the benefits of considering the expectations of stakeholders when prioritising reported goals (Appendix Q: 22:07). This is seen as the core of the stakeholder-centred approach to prioritising SDGs, as the inclusion of e.g. employees in the selection process, further creates a sense of collective responsibility for the chosen SDG priorities (Appendix O: 03:10). From the stakeholder-centred approach, society and stakeholders should thereby form the very basis for reporting on certain SDGs, thus supporting a vision to develop business based on societal needs (Appendix P: 12:12).

Another perspective to the prioritisation of reported SDGs is described by this report as the company-centred approach, which reflects the inside-out linkages between companies and society (Porter & Kramer, 2006). By considering social touchpoints of the value chain during the normal course of business, this company-centred approach instead prioritises SDGs based on the existing firm operations, as indicated by KJ as from the Danish Parliament:

"I do not think that companies should align priorities with the assessments of the Parliament and the politicians. I think that companies should align priorities with what is natural to the firm. If an insufficient amount of businesses then follows the assessments of the politicians, then we will look at the situation with the usual political instruments." (Appendix O: 04:22).

Essentially, this approach to developing corporate SDG priorities considers the ratification of the goals as a governmental responsibility (Appendix N: 05:48), and therefore entrusts the firms to make priorities for the goals based on their business nature (Appendix U: 22:15).

Although subscribers to the approach acknowledge the existence of the political system (Appendix T: A.1.5.), reported SDG priorities should distinctly reflect the core competencies of the given business model, as this is where the company has the greatest potential to have a positive societal impact (Appendix Q: 22:07). By assessing the position of the firm in the value chain (Appendix S: 17:43), SDG priorities based on the company-centred approach thus focus on the possibilities for firms to alter operations to do less harm to the surroundings (Appendix Q: 22:07) and contribute positively to societal developments (Appendix U: A.2.1.).

Ultimately, the stakeholder-centred and the company-centred approach can be viewed as two opposing perspectives on how firms should prioritise SDGs for their corporate reporting. As both approaches have been expressed by the interviewees of this report, the inconsistent expectations thus illustrate the complexity for firms in bridging the detected expectation gap. Although Danish legislation on sustainability reporting is progressive (Appendix Q: 33:56), missing standards for SDG reporting currently leaves it up to firms to balance the demands for reporting in accordance with stakeholder expectations and the nature of the business.

6.4. Sub-Conclusion

The following conclusions have been summarised vis-à-vis the perceived stakeholders of SDG reporting and the type of value being created though disclosures on the SDGs. Further, conclusions are also outlined regarding the identification of an expectation gap between the value of the current SDG reporting of companies and the value expected by stakeholders.

Through the conducted stakeholder analysis, the report identifies three primary stakeholder groups of SDG reporting as expressed by the interviewees. Although other parties are also found to have an influence on the phenomenon, the main groups that serve as the analytical foundation of this report include 'Financial Decision-Makers', 'Employees' and 'Non-Investor Stakeholders'. Hence, the emphasis of actors in excess of shareholders, implies that the report develops a stakeholder view in the assessment of parties relevant to SDG reporting. Although it is argued that the claims of these primary groups all possess a high degree of legitimacy, urgency and power, a particular focus is drawn to the aspect of legitimacy, which is generally found to have an increasing influence on the corporate reporting on the SDGs.

Next, the further analysis of the qualitative interviews has revealed a wide range of different perspectives to the type of value being created through reporting on the SDGs. A distinction is thus made in this regard between SDG reporting and SDG strategy, as it is indicated by the respondents that these concepts represent different approaches towards working with the SDGs. However, communicating through SDG reporting is found to be a powerful tool to create a common reference between firms and society, as it can assist businesses to convey relatable organisational purposes and formulate understandable corporate targets.

In addition, the report also finds that SDG reporting is perceived to create economic value as the interviewees generally view the goals as a good business case for firms. Examples of economic value potential thus include the ability to assess and manage corporate risks as well as to maintain a social license to operate by reporting on the goals. Finally, the report also finds that SDG reporting can be used as a tool for managing the corporate image and reputation, and that it can be highly relevant in the future competition for attracting talents.

However, the final part of the analysis identifies an existing expectation gap between the value of the currently observed SDG reporting and the value expected by stakeholders. As expressed by the interviewees, firms are perceived to have an embedded responsibility for the SDGs due their active role in the development process of the Agenda 2030. Yet, the respondents of the report clearly indicate that current reporting practices on the goals are inadequate and of a generally low quality. As a growing scepticism and mistrust towards firms are found to emerge among corporate stakeholders, demand occurs for improved SDG reporting, which creates value beyond merely assigning SDGs to existing company efforts.

As an example of one of the most significant issues regarding disclosures on the SDGs, this report has also analysed the perceived expectations to the prioritisation of certain goals in corporate reporting. In this connection, it is expressed by the interviewees how firms should select a limited number of goals to include as specific focus areas in their SDG reporting. However, the report both finds that a stakeholder-centred and a company-centred approach to prioritising SDGs are endorsed among the interviewees. These opposing expectations thus illustrate the complexity for firms seeking to develop optimal SDG reporting practices.

7. Discussion – Improving Future Practices

In order to bridge the identified expectation gap between the value of Nordic SDG reporting and the value demanded by relevant stakeholders, the following sections of this report aim to construct suggestions to improve the value of current practices. These recommendations are thus developed from the perspective of the firms and build on the conclusions following from the content analysis and qualitative interviews conducted for the purpose of this report.

It is further noted, that the discussed suggestions are inspired by the ten reporting principles of the GRI standards for sustainability reporting (GRI, 2016) and ultimately expands upon the assumption that good information creates liquidity in the market, which benefits actors across society (Appendix Q: 45:08). However, it is also stressed that the scope of this report has only allowed the discussion of those recommendations that have been deemed to be of utmost significance vis-à-vis the improvement of current Nordic SDG reporting practices.

7.1. Comparability

Following the SDG analysis of the GRI & UN Global Compact (2017), comparable reporting on corporate progress is seen an effective way to improve the SDG performance of firms. Hence, the first suggestion developed by this report considers the degree of comparability in current SDG disclosures of the Nordic countries. In order to maximise the perceived value creation, this suggestion thus expands on the reporting principle that disclosures on the SDGs should be both comparable over time and across organisations (Adams et al., 2020).

In relation to ESG reporting, improved quality and comparability is gained by contextualising disclosures vis-à-vis the performance of previous years (FSR – danske revisorer, 2019c). This report thus argues, that this is also true in relation to corporate disclosures on the SDGs. However, as concluded in the content analysis of the report, it is found that only about 50% of the sampled Nordic firms currently report on SDG progress compared to previous years cf. Appendix F-J. According to the interviewees of this report, the largely descriptive nature of current practices inhibits the assessment of SDG performance (Appendix L: 19:04) as more data will be required to achieve comparability of efforts over time (Appendix Q: 07:55).

To strengthen the trust in the overall SDG results of the firm (FSR – danske revisorer, 2018), it is thus recommended by this report, that a higher proportion of Nordic companies should strive to include disclosures on SDG progress. To enhance this practice, it is further argued that companies should also develop concrete goals for their SDG progress, as this is an essential driver for good corporate performance on the goals (GRI, UNGC & WBSCD, 2015).

As concluded by the qualitative analysis of this report, SDG reporting is perceived to be a powerful and relatable tool for conveying the sustainable targets of the firm. However, it has been shown in Appendix F-J that it is also only about 50% of the sampled Nordic companies who are currently linking SDGs to corporate targets. Although it can be discussed whether such targets should be quantified for a short, medium or long term (Adams et al., 2020), it is thereby argued to be of paramount importance to the comparability of SDG progress, that more firms are setting concrete aspirations for their efforts on the goals (Appendix L: 19:04).

In fact, the need for concrete SDG targets has been heavily emphasised by the interviewees, who stress that SDG disclosures can easily be 'fluffy' (Appendix R: 08:36), thus requiring businesses to be specific, focused and precise in their SDG reporting (Appendix W: 19:18). Such concrete targets can be absolute, or relative to another unit or output (GRI, UNGC & WBSCD, 2015), and it is recommended that further specificity is ensured by displaying links to national parameters, the Nordic goals (Nordic Council of Ministers, 2017a) or the official targets of the Agenda 2030 (United Nations, 2015a). As the content analysis of this report finds that only about 25% of the sampled Nordic firms are reporting on the SDG targets, the report suggests firms to increasingly establish these links, as implied by Adams et al. (2020).

To improve the comparability of SDG disclosures across organisations, it is necessary that companies become able to refer to a common benchmark. This is a major challenge of present SDG reporting, as there are currently no exhaustive standards on how to compare corporate impact on the goals (Appendix O: 20:48) Although attempts have been made to specify detailed targets for the goals (GRI & UN Global Compact, 2017), the ambiguity of existing SDG reporting frameworks (Appendix Q: 33:56) has instead led firms to develop their own reporting policies for the SDGs (Appendix R: 17:32). Hence, this may arguably be the current best practice until SDG benchmarks are derived, as discussed later in this report.

7.2. Reliability

Viewed as a fundamental concept of corporate reporting on the SDGs (Adams et al., 2020), the second suggestion proposed by this report considers the aspect of disclosure reliability in relation to improving current SDG reporting. As companies are being increasingly held responsible for the social consequences of their actions (Porter & Kramer, 2006), and fears of greenwashing are perceived by stakeholders (Laufer, 2003), this report thus argues that attention should be given to the current reliability and quality of data disclosed on the SDGs.

Although the content analysis of this report shows that nearly 90% of sampled Nordic firms are presently reporting on the SDGs cf. Appendix F-J, it has been discussed that the general comparability and specificity of the disclosures are found to be of a relatively limited nature. Hence, questions are also currently being raised regarding the reliability of SDG reporting, as it is seen as a determining aspect of good and trustworthy reporting (Appendix Q: 42:11). As adequate reporting on corporate sustainability is generally considered to be a crucial factor for the decision-making of societal actors (GRI, 2020b), the insufficient overall quality of current reporting has thus made investors desperate for reliable data (Appendix Q: 45:48).

The qualitative analysis of this reports finds that one of the primary critique points of Nordic SDG reporting is the practice of merely mapping SDGs to unchanged business operations. For example, this is still the case among many companies in Denmark (Appendix O: 04:34), and the phenomenon is recognised as a threat to the perception of reliable and valuable SDG reporting (Appendix P: 06:01). This is also repeatedly stressed by the interviewees who note that SDGs should represent more than just colourful icons (Appendix S: 14:22) and cursory 'storytelling' (Appendix L: 20:51) when included by companies in their reporting.

It is therefore argued by this report that efforts should be made to go beyond SDG mapping, and that companies instead internalise the goals in the development of new initiatives. This also follows from the conclusion of the qualitative analysis of this report, which finds that the value of SDG reporting hinges of the value created by the SDG strategy of the organisation. By meeting the demand to marry SDGs to actual initiatives (Appendix U: A.2.2.), firms will achieve improved disclosure reliability, and avoid decoupling (Dillard et al., 2004) as their reporting will then be based on the actual behaviour of the firm (Deegan & Unerman, 2011).

However, as previously mentioned, there are currently no binding or popularised standards for how companies should report on the SDGs. Apart from hindering inter-organisational comparability, this is also argued to challenge the reliability of present reporting on the goals. For example, the legislation of Denmark ratifies the EU Directive 2014/95/EU, which applies to large organisations, who are required to report on matters related to sustainability through section 99 a and 99 b of the Danish Financial Statements Act. Although the EU Directive on non-financial reporting is scheduled to be reviewed in 2020 (European Commission, 2019), there are currently no prospects of implementing concrete legislation for SDG disclosures.

As the use of accounting policies for SDG reporting is still a voluntary initiative in the Nordic countries, companies are longing for standardised frameworks (Appendix R: 15:57) that can conceptualise a detailed taxonomy for reporting in relation to the SDGs (Appendix M: 17:43). Hence, these demands can be also be linked to studies from the accounting literature, as methodologies such as environmental management accounting (Jasch, 2006) and impact-weighted accounts (Serafeim et al., 2020) are being developed to improve current practices for sustainability reporting, thus offering opportunities for increased reliability of disclosures.

Though setting sustainability standards is a tedious process (Appendix M: 21:59), a promise was recently made by the Big Four accounting firms at the WEF in Davos, that a new metric will be developed for reporting on ESG data and the SDGs (World Economic Forum, 2020). Such a framework may thus hold great potential to improving the value of current disclosures as it fulfils the need to build upon existing guidelines (Appendix Q: 31:51), whilst enhancing quality of current reporting by standardising measures for the SDGs (Appendix O: 05:45).

Until exhaustive standards for SDG reporting may be developed, it is suggested through this report that firms strive to formulate disclosures for the goals, which refer to current guidelines such as the SDG Compass (GRI, UNGC & WBSCD, 2015), the SDGD Recommendations (Adams et al., 2020) or other relevant SDG reporting schemes. By establishing linkages to official frameworks, the reliability of reported data is argued to be improved, thereby further enabling increased accountability and transparency of SDG reporting (Appendix Q: 45:22). Implying that what gets measured, gets managed (Appendix Q: 33:56), increased efforts for transparency is thus also perceived as a driver for corporate change (Appendix M: 26:56).

Given the existing frameworks on SDG reporting, Appendix X illustrates that 75% of the sampled interviewees find that it should remain voluntary for firms to report on the goals. This is primarily argued due to fears of diluting the value of current reporting, as mandatory practices may generate too much data and double counting (Appendix W: 24:07) or cause SDG reporting to merely be an obligatory add-on (Appendix L: 16:22). Moreover, such an initiative will also result in added administration costs for companies (Appendix O: 05:45), thus implying that current SDG reporting is better to be encouraged via corporate incentives (Appendix U: A.2.3.), potential soft law or 'good governance' principles (Appendix L: 21:42).

However, companies who may thus choose not to link SDG disclosures to official accounting policies will not have the same potential to obtain assurance for their SDG reporting, i.e. via external independent verification (Appendix N: 24:38). Hence, the employment of relevant SDG reporting frameworks is thereby further supported, as disclosure reliability is argued to be closely related to the ability to verify reported data (Adams et al., 2020). Although it is found in the literature, that the assurance of CSR disclosures is not correlated with corporate market value (Cho et al., 2014), the interviewees of this study support audits of SDG reports (Appendix N: 22:49) as adequate assurance is a source for reliability (Appendix P: 20:00).

Yet, it is noted by JP from PwC that the company only provides limited assurance for matters related to sustainability due to the current quality of reporting criteria (Appendix N: 24:38). It is thus argued that further work should be allocated vis-à-vis agreeing on the nature of appropriate data quality (Appendix Q: 18:57), as improved assurance of SDG reporting adds credibility to the information used by investors in for financial decisions (Adams et al., 2020). As implied by Cho et al. (2014), such CSR assurance may also cause adverse effects such as improved corporate image for sustainability, which further increases perceived reliability and thus confirms the reputational effect of SDG reporting as identified through this report.

The study thereby suggests that companies reporting on the SDGs seek to have disclosures verified by external assurance entities in order to increase the perceived reliability of their reporting. Although this may not have a direct financial effect on the firm (Cho et al., 2014), assurance is still suggested due to its discussed indirect positive impact, which is ultimately linked to an improved acknowledgment of the overall corporate legitimacy (Suchman, 1995).

7.3. Materiality & Impact

The final recommendation developed by this report considers the aspects of materiality and impact in relation to corporate reporting on the SDGs. These are viewed as highly interlinked concepts, which also affect the discussed comparability and reliability of SDG disclosures. As a means to improve reporting quality (GRI, UNGC & WBSCD, 2015), the assessment of SDG materiality and impact is thus recognised as a further source for firms to addresses the identified expectation gap of the study vis-à-vis the value created by current SDG reporting.

Due to reasons of scope and trustworthiness, it is found through the qualitative analysis of this report, that companies should avoid reporting on all 17 SDGs. This is also indicated by Adams et al. (2020), who note that it will be not be all goals, that are material to the value of the company. Instead, frameworks like the SDG Compass (GRI, UNGC & WBSCD, 2015) aim to assist firms to prioritise certain goals, as it is agreed that evaluating the materiality of the goals is key to the development of valuable reporting on the SDGs (Appendix S: 24:17).

As shown by the content analysis of the report, it is found that approximately 75% of the sampled Nordic firms refer to reported SDGs as ‘priorities’ or ‘impact areas’ of the company. However, it is also found that the remainder of reporting firms simply do not disclose on the background for reporting on chosen SDGs, thus implying that companies fail to convey the assessed materiality, as suggested by e.g. FSR – danske revisorer (2018). It is therefore argued that many Nordic firms fail to leverage the potential to contextualise the goals with respect to firm-specific factors such as risk, as noted in the qualitative analysis of the study.

The interviewees of this report further state that the selection of SDGs for reporting purposes must reflect both materiality and simplicity (Appendix M: 15:25), and that efforts should be made to avoid cherry picking by solely reporting on the positive aspects of the chosen goals (Appendix N: 14:13). In fact, frameworks are recognising the merit of disclosing information on value deterioration through the SDGs (Adams et al., 2020), which the interviewees also indicate to contribute towards better reporting. Apart from improving disclosure transparency (Appendix U: 11:11), negative impact is considered to be an evitable premise when working with the SDGs (Appendix L: 12:50). Hence, disclosing data on material value degeneration may thus also yield increased credibility to the current SDG reporting (Appendix P: 18:20).

Another core aspect of the assessment of materiality for SDG reporting relies on the analysis of given stakeholder influence and expectations to the firm (GRI, UNGC & WBSCD, 2015). As deducted from the interviews of this report, the stakeholder groups of ‘Financial Decision-Makers’, ‘Employees’ and ‘Non-Investor Stakeholders’ have been identified as parties who are generally to be considered when developing SDG disclosures. However, as stakeholder salience is a dynamic concept (Mitchell et al., 1997), it is argued that external pressures should be further considered at an individual company-level in order to discern the issues on sustainable development relevant to the firm’s external environment (Adams et al., 2020).

Hence, in terms of the evaluation of materiality vis-à-vis disclosures on the SDGs, it is thus recommended by this report that firms identify certain goals to include in their reporting as selected priorities, In this connection, companies should indicate how the relevance of the chosen focus areas has been derived, whilst also disclosing on their negative impact in order to increase perceived transparency (Appendix U: 24:53). In addition, it is finally suggested that attention is given to the individual stakeholder context when reporting on SDG priorities.

The content analysis of this report finds that about 60% of the sampled Nordic firms indicate reported SDG priorities to be based on the impact of the company given its business nature. Remaining firms are primarily not found to indicate any alternative basis for their priorities. Rooting priorities in the current value chain of the firm is also implied by the SDG Compass (GRI, UNGC & WBSCD, 2015), thus favouring the company-centred approach to prioritising SDGs as identified through the qualitative analysis of the report. Firms are thereby expected to generate societal value through the impact of existing activities (Porter & Kramer, 2006).

However, no clear relationship is found between the SDGs prioritised by the Nordic societies and SDG priorities reported by the sampled Nordic firms, as shown in the content analysis. The integrity of current practices may thus be questioned, as present reporting arguably fails to communicate on the specific value needed by society (Appendix M: 24:54). Since visibility of impact is perceived as a key aspect of good SDG reporting (Appendix R: 17:32), current understandings of corporate growth may thus need to be redefined to drive firm priorities towards the societal agenda (Appendix M: 24:54). This orientation would thereby build on the stakeholder-centred approach to SDG priorities provided by the analysis of this study.

By working to further unite the corporate and societal aspirations, firms would benefit from competitive advantages arising from the creation of shared value (Porter & Kramer, 2006). Hence, it is thus argued that companies would improve the perceived value of SDG reporting by linking their SDG focus areas to the needs of society. As the report finds that companies have an embedded responsibility for the implementation of the Agenda 2030, reinforced ties between firms and society will also ensure the maintenance of a social license to operate (Appendix Q: 27:19). The selection of SDG priorities may thus be seen as a means to create economic value whilst addressing needs and challenges of society (Porter & Kramer, 2011).

As shown in the content analysis, it is found that priorities of current SDG reporting of Nordic firms generally reflect SDG priorities of higher governance levels than those of the national societies. Although Nordic firms may essentially view the SDGs as global responsibilities (Appendix R: 08:36), it is stressed that the Agenda 2030 impacts both the global, regional and national level (United Nations, 2015a). Even though it is recognised that firms take part in a multitude of complex value chains (Appendix S: 00:48), this report argues that firms should seek to define the societal scope for which they create value via their reported SDGs.

As suggested by JS, a major opportunity for value creation could be to map the potential SDG impact of the firm against national SDG priorities as derived through e.g. local VNRs (Appendix V: 13:26). This way, companies explicitly link corporate competencies to local agendas, thus combining aspects of both the company-centred and the stakeholder-centred approach to SDG priorities as identified in this study. Such a united methodology is further supported by the interviewees of this report, as it is emphasised that firms are not working for local agendas in isolation (Appendix L: 15:50), but that reported SDG priorities should integrate perspectives of both firms and society to create shared value (Appendix S: 14:22).

It is thus recommended by this report, that Nordic companies strive to become more explicit about how reported SDG priorities reflect defined regional or national priorities. Apart from ensuring further specificity to the materiality assessment of reported goals, this approach also supports the objective of the Agenda 2030 to define impact in relation to local capacities (United Nations, 2015a). Hence, by uniting the impact of the firm with demands of society, this is finally seen as a means to foster the creation of shared value (Porter & Kramer, 2011).

7.4. Summary

Based on the identified results and analyses of this report, the aim of the preceding section has been to explore and develop concrete recommendations to improve the perceived value created by current reporting on the SDGs in the context of Nordic companies and societies. A summarised overview of the discussed recommendations is illustrated through Figure O.

As discussed, the aspects of comparability, reliability and materiality and impact comprise the overarching pillars with respect to the recommendations for improved SDG reporting as implied by this report. Although the suggested initiatives have been linked to each of these pillars, it is noted that all recommendations are to be seen as components of a holistic and interconnected scheme. Hence, by implementing these propositions, the report argues that Nordic companies can significantly improve the perceived value of current SDG reporting.

Figure O: Recommendations for Improved SDG Reporting

Comparability

1. Contextualise SDG performance in relation to previous years.
2. Develop targets for the SDG performance.
3. Ensure precision and specificity, i.e. through references to official SDG targets.

Reliability

4. Go beyond 'SDG mapping' by internalising the goals when developing firm strategies.
5. Establish linkages between accounting policies and SDG reporting frameworks.
6. Attain external assurance for SDG disclosures to the highest feasible extent.

Materiality & Impact

7. Identify certain SDG priorities, and disclose how these have been derived.
8. Assess the individual stakeholder context when developing SDG priorities.
9. Report on negative impact on the SDGs.
10. Disclose how corporate SDG priorities reflect regional/national SDG focus areas.

Source: Own creation.

8. Conclusive Discussions

8.1. Conclusion

The purpose of this report has been to investigate how corporate disclosures on the SDGs are able to create value for companies and societies in the Nordic region. With its explorative approach, this report has thus sought to extend on the analysed findings to develop concrete suggestions to reporting practices in order to improve the value of current SDG disclosures.

Apart from an overall commitment to the 17 global goals of the Agenda 2030, the societies of the Nordic region are found to be devoted to further SDG engagements which have been tailored to the specific regional and national capacities. As extrapolated from regional action plans, national agendas and voluntary national reviews, Nordic societies are thus currently committed to a collective focus on SDG 12 (Responsible Consumption and Production) as well as other regional sub-targets and distinctive national SDG priorities. Hence, the report views these schemes as focus areas for implementing the Agenda 2030 in the Nordic region.

With respect to reporting on the goals of the agenda, the conducted content analysis of this report finds that the majority of sampled Nordic firms are engaging in reporting on the SDGs. However, no cogent relationship has been identified between the SDG priorities of national societies and the reported goals prioritised by Nordic companies. Yet, it is generally found that sampled firms are more prone to reporting on the overall SDG priorities of the region. For the developed variables on format and quality of SDG reporting, the content analysis especially finds that Icelandic reporting patterns are lacking behind, whilst the SDG reporting performance is generally average or above average for the remaining Nordic countries.

Considering the main stakeholders of corporate SDG disclosures, the qualitative analysis of the report defines 'Financial Decision-Makers', 'Employees' and 'Non-Investor Stakeholders' as the primary parties influenced by SDG reporting. Further, it is found that the value created by reporting on the goals is profoundly hinged on the implementation of the SDGs into the corporate strategy. As a powerful and relatable tool for stakeholder communication, SDG reporting is also found to be a means to increase organisational legitimacy, thus holding the potential to create both direct and indirect economic value for the firm. For example, this is achieved via improved reputation management or talent attraction by reporting on the goals. However, as stated by the interviewees of this study, the value created by current Nordic SDG reporting is subject to a high degree of criticism. As present disclosures are found to be inadequate and of a generally low quality, stakeholder perceptions of existing reporting practices are being linked to fears of greenwashing and decoupling. In particular, firms are still largely perceived to engage with SDG mapping, i.e. by merely linking the established businesses operations to the SDGs, without fully integrating the goals into the firm strategy.

These findings have thus led this report to conclude that an expectation gap currently exists between the value of corporate SDG reporting and the value expected by society and the stakeholders relevant to the firm. As companies are viewed to have an embedded role in the implementation of the Agenda 2030, expectational pressures are requiring Nordic firms to go beyond practices of SDG mapping and to assume a legitimate responsibility for the fulfilment of the goals. Specifically, the study defines a company-centred approach and a stakeholder-centred approach as orientations to prioritising reported SDGs in alignment with perceived expectations. These are thus seen as strategies to diminish the expectation gap.

In fact, the report discusses the aspects of comparability, reliability, materiality and impact as overarching pillars for improvements, which can collectively enhance the perceived value of current SDG reporting of firms in the Nordic region. With clear linkages to these pillars, a series of concrete recommendations have thus been developed based on the discussed findings and analyses of this report. By holistically implementing the listed suggestions for current SDG reporting, the study implies that firms of the Nordic region are able to improve the perceived quality of existing disclosures in order to foster the creation of shared value

Ultimately, the report concludes that SDG reporting can act as a medium for value creation if adequate attention is allocated to the stakeholder claims for corporate legitimacy and to the development of reporting practices, that leverage the identified potential of the reporting. As current SDG disclosures of Nordic firms are subject to external scepticism and critique, the study thus argues that increased efforts should be made by companies vis-à-vis the observed reporting on the goals to the benefit of both businesses and societies of the region.

8.2. Implications & Contributions

The conclusions drawn by this report have aimed to showcase the perceived value of current SDG reporting among Nordic firms as well as the potential for improving existing practices. Whilst functioning as an analysis of SDG reporting patterns, the study also acts as a discussion paper for firms and societies to better comprehend the value of reporting on the SDGs.

Thus, this report should primarily be viewed as an empirical contribution towards the debate regarding future optimisation of advancements within the field of corporate disclosures on the SDGs, ESG data and sustainability information in general. As discussed by the report, these practices are currently subject to a high degree of criticism, as relevant stakeholders do not perceive present reporting to meet their expectations. This report may thereby be utilised as a contribution to the individual development of SDG reporting among businesses in the Nordic region and beyond. Further, the report also contributes with internal intelligence for societal actors to assist firms in reporting on the SDGs in order to create shared value.

8.3. Limitations & Suggestions for Future Research

Considering the conclusions made by this report, it is stressed that inferences are subject to multiple delimiting factors, which may be altered in relation to future studies on the topic. These limitations may be linked to approaches of the report vis-à-vis the empirical basis, theoretical orientation and methodological choices as discussed in the following section.

From an *empirical perspective*, the content analysis of this report only relies on the reporting of the ten largest companies from each of the five Nordic countries. It is thus noted, that the mere number of sampled subjects strongly limits the ability to apply identified conclusions to a broader empirical context. Future studies may thus include a more distinct orientation towards the content analysis of SDG reporting, hence allowing a larger number of subjects to be sampled in this connection. It would also be relevant to consider the development of SDG reporting over time by including disclosures from more than one reporting year. This would allow conclusions to made regarding whether companies are already on track for the improvements suggested by this report. More extensive data would also enable conclusions to be made whilst controlling for relevant company variables such as the firm size or sector.

Furthermore, it is noted that only twelve qualitative interviews have been conducted with Danish SDG stakeholders for the purpose of this report. Future studies may therefore seek to include the viewpoints of more respondents to increase the reliability of the conclusions made in this regard. It would also be highly relevant to sample interviewees from alternative geographical backgrounds either within or beyond the Nordic region. This way, it could be explored whether the identified stakeholder expectations are unique to the Danish context. It is also noted that the sampled interviewees of the report represent a broad spectrum of stakeholders of the SDGs. Hence, future studies could benefit from refining the diversity of the sampled respondents, i.e. by merely considering claims of corporate or non-corporate parties cf. Appendix E in order to more effectively control for diverging interests of the actors.

From a *theoretical perspective*, the conclusions of this report are primarily hinged on the theory of CSV, supplemented by elements from stakeholder theory and legitimacy theory. As the report aims to explore the perceptions towards value creation through SDG reporting, the perspective of shared value thus solely considers the implications for businesses and stakeholders of society as a whole. Hence, future studies may therefore further employ the perspective of e.g. the multi-level governance theory in order to consider processes of value creation at different structural levels of society. This would be particularly relevant, as this report suggests that the identified SDG reporting patterns may be oriented towards higher levels of governance than what is explored in this study. It may thus be investigated how firms should define their societal focus when creating shared value through SDG reporting.

From a *methodological perspective*, it is arguably possible to conduct future research on the value of SDG reporting through a more quantitatively oriented approach. This may provide a higher degree of evidence for the derived conclusions, as the absence of any statistically significant findings can be seen as a weakness to the merit of this predominantly qualitative report. However, it is noted that it may be difficult to translate the subjective approach of this study into quantifiable hypotheses. Potential quantitative research may thus instead extend on the findings of this report, i.e. by exploring whether the recommended initiatives for value creation are more likely to be implemented in SDG reports of firms with certain corporate endowments. This could thus illustrate which segments of the private sector require efforts to be specifically intensified to improve the creation of shared value through SDG reporting.

10. Bibliography

Adams, C. A., Druckman, P. B., & Picot, R. C. (2020). *Sustainable Development Goals Disclosure (SDGD) Recommendations*. https://www.ifac.org/knowledge-gateway/contributing-global-economy/publications/sustainable-development-goals-disclosure-sdgd-recommendations (Accessed: 04.05.2020).

Bos, J. (2014). *Integrating ESG factors in the investment process*. CFA Institute Magazine, 25(1), 15-16.

Bebbington, J., & Unerman, J. (2018). *Achieving the United Nations sustainable development goals*. Accounting, Auditing & Accountability Journal, 31(1), 2-24.

Bebbington, J., Russell, S., & Thomson, I. (2017). *Accounting and sustainable development: Reflections and propositions*. Critical Perspectives on Accounting, 48, 21-34.

Brammer, S., & Pavelin, S. (2008). *Factors influencing the quality of corporate environmental disclosure*. Business Strategy & the Environment, 17, 120-136.

Brest, P. (2010). *The power of theories of change*. Stanford Social Innovation Review, 8(2), 47-51.

Bryman, A. (2012). *Social Research Methods*. Oxford University Press.

Carlsberg. (2019). *Sustainability Report 2019*. https://www.carlsberggroup.com/media/35965/carlsberg-as-sustainability-report-2019.pdf (Accessed 04.05.2020).

Charmaz, K. (2005). *Grounded theory in the 21st century: A qualitative method for advancing social justice research*. Handbook of qualitative research, 3, 507-535.

Charmaz, K. (2006). *Constructing Grounded Theory: A Practical Guide through Qualitative Analysis*. SAGE Publications.

Cho, C. H., Michelon, G., M. Patten, D., & W. Roberts, R. (2014). *CSR report assurance in the USA: An empirical investigation of determinants and effects*. Sustainability Accounting, Management and Policy Journal, 5(2), 130-148.

Clarkson, P. M., Y. Li, G. D. Richardson, and F. P. Vasvari. 2011. *Does it really pay to be green? Determinants and consequences of proactive environmental strategies*. Journal of Accounting and Public Policy, 30, 122–144.

Coffey, A., & Atkinson, P. (1996). *Making sense of qualitative data: complementary research strategies*. SAGE Publications.

Deegan, C. (2002). *Introduction: The legitimising effect of social and environmental disclosures – a theoretical foundation*. Accounting, Auditing & Accountability Journal, 15(3), 282-311.

Deegan, Craig, & Unerman, Jeffrey. (2011). *Financial accounting theory*. McGraw-Hill.

Delmas, M., & Burbano, V. (2011). *The Drivers of Greenwashing*. California Management Review, 54(1), 64-87.

Dillard, J., Rigsby, J., & Goodman, C. (2004). *The making and remaking of organization context*. Accounting, Auditing & Accountability Journal, 17(4), 506-542.

DiMaggio, P. J., & Powell, W. W. (1983). *The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields*. American sociological review, 147-160.

Dowling, J., & Pfeffer, J. (1975). *Organizational legitimacy: Social values and organizational behavior*. Pacific sociological review, 18(1), 122-136.

Easterby-Smith, M., Thorpe, R. & Jackson, P. (2015). *Management and Business Research*. SAGE Publications.

Egholm, L. (2014). *Videnskabsteori: Perspektiver på Organisationer og Samfund*. Hans Reitzels Forlag.

European Commission. (2019). *The European Green Dea*l. https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52019DC0640&from=EN (Accessed 04-05-2020).

Finnish National Commission on Sustainable Development. (2016). *The Finland we want by 2050: Society's Commitment to Sustainable Development*. http://sdgtoolkit.org/wp-content/uploads/2017/02/The-Finland-we-want-by-2050-Society's-Commitment-to-Sustainable-Development.pdf (Accessed 04.05.2020).

ForUM. (2016). *17 Goals. One future.: How the UN Sustainable Development Goals can be reaching in and with Norway by 2030*. http://www.forumfor.no/nyheter/2016/17-goals.-one-future (Accessed 04.05.2020).

Freeman, R. (1984). *Strategic management: A stakeholder approach*. Pitman.

Friedman, M. (1970) *The Social Responsibility of Business Is to Increase Its Profits*. New York Times Magazine, 13 September 1970, 122-126.

FSR – danske revisorer. (2017). *CSR Rapporteringsprisen 2017: Hvem udmærker sig og udgiver de bedste CSR rapporter i Danmark?* http://m.fsr.dk/Faglige_informationer/CSR/Corporate%20social%20responsibility%202013/CSR%20Rapporteringsprisen%202017_a (Accessed 04.05.2020).

FSR – danske revisorer. (2018). *Analyse: De 50 Største Virksomheders Rapportering om Samfundsansvar.* http://m.fsr.dk/Faglige_informationer/CSR/Corporate%20social%20responsibility%202013/CSR%20Prisen%202018_a (Accessed 04.05.2020).

FSR – danske revisorer. (2019a). *Tjekliste for Årsregnskabslovens § 99 a*. https://m.fsr.dk/Faglige_informationer/CSR/Publikationer (Accessed 04.05.2020).

FSR – danske revisorer. (2019b). *Tjekliste for Selskabslovens § 139 a og Årsregnskabslovens § 99 b*. https://m.fsr.dk/Faglige_informationer/CSR/Publikationer (Accessed 04.05.2020).

FSR – danske revisorer. (2019c). *ESG-hoved- og nøgletal i årsrapporten: Bedre ESG-data, bedre indsigt, bedre investeringer*. https://m.fsr.dk/Faglige_informationer/CSR/Publikationer (Accessed 04.05.2020).

Gibbs, G. (2007). *Analyzing Qualitative Data*. SAGE Publications.

Government of Denmark. (2017). *Handlingsplan for FN's verdensmål: Danmarks opfølgning på FN's verdensmål for bæredygtig udvikling*. https://www.regeringen.dk/publikationer-og-aftaletekster/handlingsplan-for-fns-verdensmaal/ (Acessed 04.05.2020).

Government of Iceland. (2019). *Iceland's Implementation of the 2030 Agenda for Sustainable Development: Voluntary National Review*. https://sustainabledevelopment.un.org/vnrs/ (Accessed 04.05.2020).

Government of Sweden. (2017). *Sweden and the 2030 Agenda: Report to the UN High Level Political Forum 2017 on Sustainable Development*. https://sustainabledevelopment.un.org/vnrs/ (Accessed 04.05.2020).

Government Offices of Sweden. (2018a). *The Government adopts Sweden's action plan for the 2030 Agenda.* https://www.government.se/press-releases/2018/06/the-government-adopts-swedens-action-plan-for-the-2030-agenda/ (Accessed 04.05.2020).

Government Offices of Sweden. (2018b). *Handlingsplan Agenda 2030: 2018-2020*. https://www.government.se/press-releases/2018/06/the-government-adopts-swedens-action-plan-for-the-2030-agenda/ (Accessed 04.05.2020).

Gray, R., Owen, D., & Adams, C,. (1996). *Accounting and accountability: Changes and challenges in corporate social and environmental reporting*. Prentice Hall.

GRI. (2016). *GRI 101: Foundation 2016*. https://www.globalreporting.org/standards/media/1036/gri-101-foundation-2016.pdf (Accessed 04.05.2020).

GRI. (2020a). *Benefits of Reporting*. https://www.globalreporting.org/information/sustainability-reporting/Pages/reporting-benefits.aspx (Accessed 04.05.2020).

GRI. (2020b). *About Sustainability Reporting*. https://www.globalreporting.org/information/sustainability-reporting/Pages/default.aspx (Accessed 04.05.2020).

GRI & UN Global Compact. (2017). *Business Reporting on the SDGs: An Analysis of the Goals and Targets*. https://www.globalreporting.org/information/SDGs/Pages/Reporting-on-the-SDGs.aspx (Accessed 04.05.2020).

GRI, UNGC & WBSCD. (2015). *SDG Compass: The Guide for Business Action on the SDGs.* https://www.globalreporting.org/information/SDGs/Pages/SDG-Compass-.aspx (Accessed 04.05.2020).

Hasnas, J. (1998). *The Normative Theories of Business Ethics: A Guide for the Perplexed*. Business Ethics Quarterly, 8(1), 19-42.

Icelandair. (2019). *Icelandair Group Annual Report 2019*. https://annualreport2019.icelandairgroup.is (Accessed 04.05.2020).

Jain, A., Jain, P. K., & Rezaee, Z. (2016). *Value-relevance of corporate social responsibility: Evidence from short selling*. Journal of Management Accounting Research, 28(2), 29-52.

Jasch, C. (2003). *The use of environmental management accounting (EMA) for identifying environmental costs*. Journal of Cleaner Production, 11(6), 667-676.

KONE. (2018). *Helping Cities Grow Sustainably: Sustainability Report 2018.* https://www.kone.com/en/Images/pdf_sustainability_report_2018_tcm17-83612.pdf (Accessed 04.05.2020).

KPMG. (2017). *The Road Ahead: KPNG International Survey of Corporate Responsibility Reporting 2017*. https://home.kpmg/xx/en/home/insights/2017/10/the-kpmg-survey-of-corporate-responsibility-reporting-2017.html (Accessed 04.05.2020).

Krippendorff, K. (2018). *Content analysis: An introduction to its methodology.* SAGE Publications

Kvale, S., & Brinkmann, S. (2015). *Interview: Det kvalitative forskningsinterview som håndværk*. Hans Reitzels Forlag.

Laufer, W. (2003). *Social Accountability and Corporate Greenwashing*. Journal of Business Ethics, 43(3), 253-261.

Lindblom, C. K. (1993). *The Implications of Organisational Legitimacy for Corporate Social Performance and Disclosure*. Critical Perspectives on Accounting Conference. New York.

Ministry of Finance of Denmark. (2017). *Report for the Voluntary National Review: Denmark's implementation of the 2030 Agenda for Sustainable Development.* https://sustainabledevelopment.un.org/vnrs/ (Accessed 04.05.2020).

Ministry of Foreign Affairs of Denmark. (2017). *Handlingsplan for FN's verdensmål: Danmarks opfølgning på FN's verdensmål for bæredygtig udvikling*. http://www.stm.dk/multimedia/2017_handlingsplan-for-fn-verdensmaalene.pdf (Accessed 04.05.2020).

Mitchell, R., Agle, B., & Wood, D. (1997). *Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts*. The Academy of Management Review, 22(4), 853-886.

Norden. (2020). *About the Nordic Council of Ministers*. https://www.norden.org/en/information/about-nordic-council-ministers (Accessed 04.05.2020).

Nordic Council of Ministers. (2017a). *Generation 2030: Nordic Programme for Agenda 2030.* https://www.norden.org/en/information/generation-2030-nordic-programme-agenda-2030 (Accessed 04.05.2020).

Nordic Council of Ministers. (2017b). *Sustainable Development Action – the Nordic Way: Implementation of the Global 2030 Agenda for Sustainable Development in Nordic Cooperation.* https://www.norden.org/en/information/generation-2030-nordic-programme-agenda-2030

Nordic Council of Ministers. (2017c). *Bumps on the Road to 2030: An overview of the common challenges for the Nordic countries in achieving the Sustainable Development Goals.* https://www.norden.org/en/information/generation-2030-nordic-programme-agenda-2030 (Accessed 04.05.2020).

Nordic Council of Ministers. (2019). *A Good Life in a Sustainable Nordic Region: Nordic Strategy for Sustainable Development 2013-2025*. https://www.norden.org/da/node/35298 (Accessed 04.05.2020).

Norwegian Ministry of Foreign Affairs. (2016). *Norway's follow-up of Agenda 2030 and the Sustainable Development Goals*. https://www.regjeringen.no/en/dokumenter/follow-up-sdg2/id2507259/ (Accessed 04.05.2020).

OECD. (2019). *Measuring Distance to the SDG Targets 2019: An Assessment of Where OECD Countries Stand*. OECD Publishing. https://doi.org/10.1787/a8caf3fa-en (Accessed 04.05.2020).

Oshika, T., & Saka, C. (2017). *Sustainability KPIs for integrated reporting*. Social Responsibility Journal, 13(3), 625-642.

Parthiban, D., Bloom, M., & Hillman, A. (2007). *Investor activism, managerial responsiveness, and corporate social performance*. Strategic Management Journal, 28(1), 91-100.

Porter, M., Hills, G., Pfizer, M., Patscheke, S. and Hawkins, E., (2011). *Measuring Shared Value: How to Unlock Value by Linking Social and Business Results*. FSG.

Porter, M. E., & Kramer, M. R. (2011). *Creating shared value*. Harvard business review, 89(1/2), 62-77.

Porter, M. E., & Kramer, M. R. (2006). *The link between competitive advantage and corporate social responsibility*. Harvard business review, 84(12), 78-92.

Prime Minister's Office Finland. (2016). *National report on the implementation of the 2030 Agenda for Sustainable Development: FINLAND*. https://sustainabledevelopment.un.org/vnrs/ (Accessed 04.05.2020).

PwC. (2019). *Creating a Strategy for a Better World: How the Sustainable Development Goals can provide the framework for business to deliver progress on our global challenges.* https://www.pwc.dk/da/publikationer/2020/01/sustainable-development-goals-challenge.html (Accessed 04.05.2020).

Russo-Spena, T., Tregua, M., & De Chiara, A. (2018). *Trends and Drivers in CSR Disclosures: A Focus on Reporting Practices in the Automotive Industry.* Journal of Business Ethics, 151(2), 563-578.

Richards, L. (2009). *Handling qualitative data: A practical guide*. SAGE Publications.

Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G. (2019). *Sustainable Development Report 2019. Bertelsmann Stiftung and Sustainable Development Solutions Network (SDSN).* https://www.sdgindex.org (Accessed 04.05.2020).

Saunders, M. N. K, Thornhill, A., & Lewis, P. (2019). *Research methods for business students*. Pearson Education.

Schaltegger, S, & Burritt, Roger. (2000). *Contemporary Environmental Accounting: Issues, Concepts and Practice*. Greenleaf Publishing.

Serafeim, G., Trinh, K., & Zochowski, R. (2020). *A Preliminary Framework for Product Impact-Weighted Accounts*. Harvard Business School Accounting & Management Unit Working Paper, (20-076).

Skanska. (2019). *Annual and Sustainability Report 2019*. https://group.skanska.com/investors/reports-publications/annual-reports/ (Accessed 04.05.2020).

Strauss, A. and Corbin, J. (1998). *Basics of Qualitative Research*. SAGE Publications.

Suchman, M. (1995). *Managing Legitimacy: Strategic and Institutional Approaches*. The Academy of Management Review, 20(3), 571-610.

Telenor. (2019). *Annual Report 2019*. https://www.telenor.com/investors/reports/annual-reports/ (Accessed 04.05.2020).

The Danish Business Authority. (2019). *Lovkrav til rapportering for større virksomheder.* https://samfundsansvar.dk/lovkrav-til-storre-virksomheder (Accessed 04.05.2020).

UN DESA. (2018). *Voluntary National Review Reports: what do they report?* https://sustainabledevelopment.un.org/content/documents/20549CDPbp201846.pdf (Accessed 04.05.2020).

UN Global Compact. (2020). *Om UN Global Compact*. https://globalcompact.dk/om-global-compact/ (Accessed 04.05.2020).

Unerman, J., & Bennett, M. (2004). *Increased stakeholder dialogue and the internet: Towards greater corporate accountability or reinforcing capitalist hegemony?* Accounting, Organizations and Society, 29(7), 685-707.

United Nations. (2000). *United Nations Millennium Declaration*. https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_55_2.pdf (Accessed 04.05.2020).

United Nations. (2014). *The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet*. https://sustainabledevelopment.un.org/index.php?page=view&type=111&nr=6179&menu=35 (Accessed 04.05.2020).

United Nations. (2015a). *Transforming our world: the 2030 Agenda for Sustainable Development.* https://sustainabledevelopment.un.org/post2015/transformingourworld (Accessed 04.05.2020).

United Nations. (2015b). *Adoption of the Paris Agreement.* https://sustainabledevelopment.un.org/frameworks/parisagreement (Accessed 04.05.2020).

United Nations. (2015c). *Addis Ababa Action Agenda*. https://sustainabledevelopment.un.org/index.php?page=view&type=400&nr=2051&menu=35 (Accessed 04.05.2020).

United Nations. (2017). *Work of the Statistical Commission pertaining to the 2030 Agenda for Sustainable Development*. https://unstats.un.org/sdgs/indicators/indicators-list/ (Accessed 04.05.2020).

United Nations. (2018). *Handbook for the preparation of Voluntary National Reviews*. https://sustainabledevelopment.un.org/content/documents/20872VNR_hanbook_2019_Edition_v2.pdf (Accessed 04.05.2020).

United Nations. (2020). *Sustainable Development Goals.* https://sustainabledevelopment.un.org (Accessed 04.05.2020).

van Der Waal, J., & Thijssens, T. (2020). *Corporate involvement in Sustainable Development Goals: Exploring the territory*. Journal of Cleaner Production, 252, Journal of Cleaner Production, 10 April 2020, Vol. 252.

Venturelli, A., Luison, C., Badalotti, G., Bodo, R., Caputo, F., Corvino, A., Doni, F., Del Baldo, M., Fazio, V., Leopizzi, R., Minoja, M., Moggi, S., Perrone, O., Rusconi, G., Tarquinio, L., & Vermiglio, C. (2019). *The SDGs in the Reports of the Italian Companies,* FrancoAngeli..

Vores Mål. (2020). *Bagom Vores Mål.* https://www.voresmaal.dk/om-projektet (Accessed 04.05.2020).

Wickert, C., Scherer, A.G. & Spence, L.J (2016). *Walking and Talking Corporate Social Responsibility: Implications of Firm Size and Organizational Costs*. Journal of Management Studies, 53(7), 1169 – 1196.

Wieland, J. (2017). *Creating shared value: Concepts, experience, criticism*. Springer International Publishing.

World Economic Forum. (2020). *Toward Common Metrics and Consistent Reporting of Sustainable Value Creation.* https://www.weforum.org/whitepapers/toward-common-metrics-and-consistent-reporting-of-sustainable-value-creation (Accessed 04.05.2020).

11. Appendices

Please refer to enclosed document, in which enlisted appendices of the report are attached.