Chapter 1
MAKE SUSTAINABLE DEVELOPMENT GOALS HAPPEN THROUGH INTEGRATED THINKING: AN INTRODUCTION

by *Cristiano Busco*

1.1. Introduction

Our planet faces massive global economic, social, and environmental challenges – we know that very well. We also know that the promise of globalisation is being increasingly endangered by political uncertainty and, eventually, by a rising tide of nationalism and protectionism recently emerged across the globe. To deal with these major challenges and uncertainties, in September 2015 Governments worldwide have agreed on seventeen Sustainable Development Goals (SDGs). Promoted by the United Nations, the SDGs define global priorities and aspirations for 2030, and they rely on the critical role of business organizations in delivering on the promise of sustainable and inclusive development (see Scheyren *et al.*, 2016; Bebbington and Unerman, 2017).

Making SDGs happen will be the challenge of the years ahead. Several business organizations across the globe have started this journey by identifying and executing sustainable strategies as key drivers of their purpose, visions and business models. While, on the one hand the SDGs present an opportunity for business-led solutions and technologies to be developed, on the other hand they offer an overarching framework to shape, steer, measure and report the value created through business objectives, initiatives, and performance. Measuring and reporting business models for long term value creation shall enable organizations to contribute to the SDGs while capitalizing on a range of benefits such as identifying future business opportunities, strengthening stakeholder engagement, and communicating whom they can share the value created with.

As contemporary organizations familiarise with the SDGs' discourse and agenda, it must be acknowledged that they are currently operating in a very complex world, characterised by a multitude of internal and external drivers, interdependencies and trade-offs, that influence the process of decision making, the promises that these decisions entail, and the expectations of a variety of demanding stakeholders. For these reasons, organization leaders are increasingly required to navigate through these challenges by implementing a comprehensive and inclusive approach to planning, measurement, and reporting. Among other approaches to accounting and reporting, Integrated Reporting (IR) seem to represent a promising approach to disclose corporates journey towards the SDGs (Adams, 2017).

Whether presented as a possible rational choice for facing existing challenges (see, among recent contributions, Adams and Simnett, 2011; Adams, 2015; Serafeim, 2015; Barth *et al.*, 2017), as a ceremonial response to the increasing pressures of markets and society (Higgins *et al.*, 2014; van Bommel, 2014), or as a temporary fad and fashion (Thomson, 2015; Flower, 2015; de Villiers and Sharma, 2017), Integrated Reporting (IR) has rapidly gained considerable prominence as one of the main management and accounting innovations of the recent decade (de Villiers *et al.*, 2014; Simnett and Huggins, 2015; Dumay *et al.*, 2016). Grounded in a process labelled – by its advocators – as integrated thinking, since 2011 IR has been promoted by the IIRC (International Integrated Reporting Council) for the resulting periodic and concise integrated report on how an organization's strategy, governance, performance, and prospects lead to the creation of sustainable value in the short, medium, and long term. [1] In December 2013, after years in which a group of early adopters developed the concept of IR as part of their reporting practices, the IIRC released a Framework to serve as a guide for the voluntary adoption of this novel form of corporate reporting.

What are the SDGs? Where do they come from? Are companies ready to engage with them? How? What is the possible role of accountants, and finance leaders more in general, in this space? The purpose of this chapter is to introduce these themes, which will then be addressed more in detail in the rest of the book. In particular, after having introduced the SDGs (section 1.2), we will discuss the possible role of Integrated Thinking in moving organizations towards the SDGs' agenda (1.3). Then, we will rely on the early examples of PepsiCo (1.4) and Eni (1.5) to discuss how the sustaina-

---

[1] See IIRC (2013), The International <IR> Framework – http://www.theiirc.org/intern ational-ir-framework/.

ble strategy in place are linked to the SDGs within corporate reports. Finally, this introductory chapter ends with some reflections concerning the role of the finance function as well as accounting and reporting practices in steering the organizations towards the achievement of the SDGs.

1.2. The discourse on sustainable development and the SDGs

Over the past thirty years or so, world leaders, supranational organizations, national governments as well as private and public organizations have progressively embraced sustainability as the cornerstone of the promissory discourse in their search for development and long-term growth. Conceptualised as the means to achieve sustainability, sustainable development has been defined in 1987 by the United Nation Brundtland report as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

In the years following the release of the Brundtland Report, multiple institutions and international bodies have further attempted to identify the core elements of the sustainable development discourse. With the intention to address the numerous issues broadly referred to as the domain of sustainable development (such as water emergency, health, climate change, pollution, social inequalities, access to energy, extreme poverty, and hunger), several major events and initiatives have taken place globally (see Bebbington, 2001, for a review). For example, at the Johannesburg World Summit in 2002, sustainable development was defined as embracing not only environmental aspects, but also social inclusion and economic development.

In 2012, the concept of sustainable development was further refined by the United Nations (see UN, The Future we want, 2012), and extended in 2013 by the United Nation Sustainable Development Solution Network (UNSDSN), with the inclusion of good governance as a fourth pillar. In parallel, public, private and non-governmental organizations have been directly involved in the attempt to ensure more coordinated efforts regarding the 'sustainability agenda' (see, e.g., the UN General Assembly resolution in 2010). This process has been consolidated in 2015 when the General Assembly of the United Nations adopted the 2030 Agenda for Sustainable Development, accompanied by a list of Sustainable Development Goals (SDGs – namely, 17 objectives and 169 targets), which will have to be achieved by all countries of the world by 2030 (see Kumar et al, 2017; Bebbington and Unerman, 2017).

In terms of goals to be achieved, earlier, the twenty-first century started with a set of development goals, known as Millennium Development Goals (MDGs). Designed for global action, between 2000 and 2015 the MDGs provided an important development framework and achieved success in several areas such as reducing poverty and improving health and education in developing countries. Gaining from the experience of MDGs, the UN decided to expand the goals to make them much wider, encompassing both developed and developing countries, and expanding the challenges that must be addressed embracing a wide range of inter-connected topics across the economic, social, and environmental dimensions of sustainable development.

This led to the identification and release of the SDGs, which were born out of what is arguably the most inclusive process in the history of the United Nations, reflecting substantive input from all sectors of society and all parts of the world (Sachs, 2012). The goals are universally applicable in developing and developed countries alike. Governments are expected to translate them into national action plans, policies, and initiatives, reflecting the different realities and capacities their countries possess. Differently from the MDGs, the SDGs are designed to rally a wide range of organizations, and shape priorities and aspirations for sustainable development efforts around a common framework. Most importantly, the SDGs recognize the key role that business can and must play in achieving them.

As summarised in Exhibit 1, the SDGs encompass (1) to end poverty in all its forms everywhere; (2) to end hunger, achieve food security, improve nutrition, and promote sustainable agriculture; (3) to ensure healthy lives and promote well-being for all; (4) to ensure inclusive and quality education for all; (5) to achieve gender equality and empower all women; (6) to ensure access to water and sanitation for all; (7) to ensure access to affordable, reliable and sustainable energy for all; (8) to promote inclusive and sustainable economic growth, employment and decent work for all; (9) to build resilient infrastructure, promote sustainable industrialization and foster innovation; (10) to reduce inequality within and among countries; (11) to make cities inclusive, safe, resilient and sustainable; (12) to ensure sustainable consumption and production patterns; (13) to combat climate change; (14) to conserve and sustainably use the oceans, seas and marine resources; (15) to sustainably manage forests, combat desertification, halt land degradation, and halt biodiversity loss; (16) to promote inclusive societies; and (17) Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Exhibit 1.1. The 17 Sustainable Development Goals.

1.3. Achieving the SDGs through Integrated Thinking

Attempting to achieve the SDGs isn't just a show of governmental and societal goodwill – it's also a strategy increasingly made by proactive, sustainable organizations. Making SDG alignment part of their strategies and business models can help companies generate new revenue, increase supply chain resilience, recruit and retain talent, spawn investor interest, and assure license to operate. Such business organizations want to achieve the same ends as any other company by driving revenue growth, creating value, and accelerating business expansion. Critically, however, contributing to the SDGs through inclusive business models helps these organizations reinforce their awareness regarding the multiple and heterogeneous resources they use as well as the impact of the company's activities on stakeholders. Notably, this attempt seems to call for an integrated approach to planning, measurement and reporting.

Whether large or small, private or public, for-profit or non-profit, every year organizations invest a vast amount of resources, time and energy as their intertwined cycles of planning, measurement and reporting unfold recursively in practice. Designed and prepared to fulfil the expectations of external and internal stakeholders, corporate reports are positioned at the final stage of these cycles as they highlight and summarise the processes of strategic planning, operations management and performance measurement that are in place. Within this context, and in the attempt to offer an account of the ongoing search for competitiveness and sustainable growth featuring contemporary organizations, annual reports are nowadays expected to convey insightful information beyond the traditional key financial data. Arguably, these reports are increasingly considered to be worthwhile reading due to their ability to inform readers about the way in which the organization's purpose and inclusive business model align with market opportunities and sustainable performance.

The concepts, elements and principles that characterize the way in which organizations plan, measure, and report their annual performance, as well as the relevance of corporate reporting, have all been questioned lately regarding a number of aspects, ranging from the supposed compliance-driven content they provide to the failure of offering forward-looking information about company strategy, performance, and risk. This perception has worsened in the aftermath of the recent financial crisis and corporate scandals, in which several commentators and analysts have firmly portrayed the global economic system as broken and have viewed organizations as being one of the major causes of social, environmental, and economic problems. This has led many experts, as well as public opinion, to criticise these fundamental documents as gradually becoming less fit for the purpose and often failing to shed light on strategy execution as well as on the extensive variety of intangible and natural resources used within an organization's processes of value creation.

Perhaps a metaphor would be useful to fully illustrate the heart of the matter. Take, for example, informative books such as a recipe book. On one hand, one may wonder whether anyone would ever be interested in reading a cookbook that talks about a variety of dishes without including listings of all the necessary ingredients.

On the other hand, would anybody ever delve into a cookbook that simply lists the ingredients of the recipes without offering any sort of cooking instructions? Well, if the answer to these questions is "no", and the reader is interested in knowing more about the concepts, stories and practices through which a number of contemporary organizations are currently dealing with the increasing pressure to align the organization's purpose and inclusive business model with market opportunities and sustainable performance(s), then the following pages in the book should be worth reading. Ultimately, if organizations intend to communicate their – more or less inclusive – recipe for value creation to their stakeholders, they need to understand it first and then make sure this awareness is reflected in the innovative forms of accounting and reporting for stakeholders that analysts and commentators are calling for.

Positioned at the centre of this debate, Integrated Reporting (IR) has been portrayed by an emerging body of professional and academic literature as in the transition phase from promising concept to powerful practice. Developed and promoted by the IIRC (International Integrated Reporting Council), IR is presented by its proponents as a process founded on Integrated Thinking, which results in a periodic and concise integrated report about how an organization's strategy, governance, performance and prospects lead to the creation of sustainable value in the short, medium and long term. Integrated Thinking is a term that refers to the conditions and processes that are conducive to an inclusive process of decision making, management and reporting, based on the connectivity and interdependencies between a range of factors that affect an organization's ability to create value over time.

The Framework released by the IIRC in December 2013 suggests that the fundamental concepts of Integrated Thinking and Reporting are represented by the capitals that an organization uses and affects, as well as the process of creating value over time. This value is embodied in the capitals – also referred to as resources and relationships. As illustrated in the Framework, organizations depend on six different types of capitals, which are stores of value that, in one form or another, become inputs to an organization's business model. They are: financial, manufactured, intellectual, human, social and relationship, and natural. The Framework doesn't require organizations to adopt the capitals, so they should be rather used as a benchmark to ensure an organization doesn't overlook a capital that it uses or affects.

Value is created or destroyed through the capitals within a company's business model, which represents the chosen system of inputs, business activities, outputs, and outcomes that aims to create value over the short, medium, and long term. Since these capitals and their value change over time as they are increased, decreased, or transformed through the activities and outputs of the organization, it's also important to understand how the outputs affect outcome. Whether the IIRC, and the Integrated Reporting movement at large, will succeed in making IR "the one" long-lasting solution addressing the rising concerns about accounting for stakeholders, (including shareholders), is hard to say. However, the stories, challenges and opportunities that characterize this innovative journey embraced by a number of organizations seem to be definitely worth taking a look, at as it aligned with the efforts of contributing to the achievement of the SDGs.

As suggested above, the integration between sustainability initiatives and business goals is progressively happening in practice. An increasing number of organizations are aligning their inclusive corporate purpose with the execution of sustainable strategies and the SDGs. While the evidence from the field will be addressed in detail in the following chapters, next, within this introductory chapter, we briefly shed light on the early experiences of PepsiCo and Eni to illustrate how this process took place in two fundamental industries such as Food and Beverage, and Energy. Ultimately, these examples demonstrate how businesses' growth and socioeconomic development can thrive together.

1.4. PepsiCo: governing sustainability through Performance with Purpose

PepsiCo's attention toward sustainable development received a boost in 2006 when the company launched its "Performance with Purpose" strategy, PepsiCo's vision to deliver top-tier financial performance over the long term by integrating sustainability into business strategy (this section is derived from the PepsiCo 2015 Global Reporting Initiative (GRI) Report and Performance with Purpose 2015 Agenda www.pepsico.com/sustainability/Sustainability-Reporting).

As shown in its 2015 Global Reporting Initiative Report and Performance with Purpose 2015 Agenda, PepsiCo has centered Performance with Purpose work on Products (human sustainability), Planet (environmental sustainability), and People (talent sustainability) – See Exhibit 1.2. More recently, the company began closely mapping its Performance with Purpose plans to the SDGs.

PepsiCo put in place a strong sustainability governance as the foundation for delivering on the Performance with Purpose vision. Sustainability topics are integrated into, not separate from, the core business. PepsiCo's Board considers sustainability issues an integral part of its business oversight. For example, the Board addresses sustainability issues in its oversight of focus areas such as capital allocation, supply chain management, talent retention, and portfolio innovation.

In 2015, after discussions with external stakeholders, the Board clarified its role with respect to sustainability by amending the company's Corporate Governance Guidelines to add "sustainability" to the key aspects of PepsiCo's business over which the Board has oversight responsibilities. In addition to full Board oversight of sustainability, the Board's Nominating and Corporate Governance Committee was charged with annually reviewing

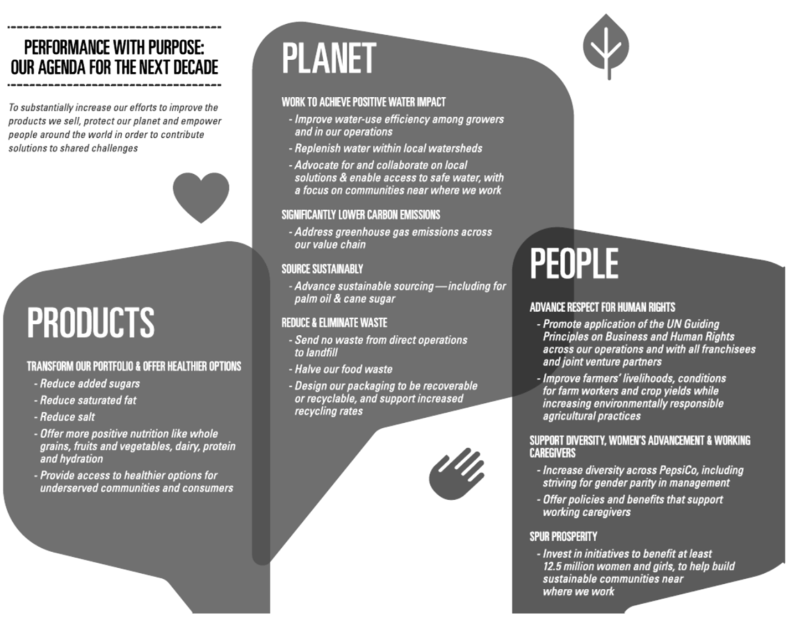
PepsiCo's key public policy issues, including its sustainability initiatives, and its engagement in the public policy process. PepsiCo's sustainability governance structure reaches across the organization and focuses on three key areas whose successful development depends on management accounting and reporting practices:

1. Governance and Decision Making. Accountabilities are assigned to individuals or teams to set strategy, prioritize activities, identify gaps, and facilitate decision making needed to advance the sustainability agenda.

2. Tracking and Reporting Metrics (specific, measurable, time-bound targets). Where appropriate, metrics are defined and standardized for tracking progress against Performance with Purpose pillars. Additionally, reporting obligations are defined, and protocols are put in place to ensure compliance and data verification.

3. Facilitating Business Integration. Each pillar has a sustainability agenda and has developed scorecards, checklists, and timelines focused specifically on measuring PepsiCo progress against its current targets.

Exhibit 1.2. Performance with Purpose at PepsiCo.



Source: PepsiCo GRI 2015 Report, p. 5.

Recently, PepsiCo reviewed the sustainability governance structure to identify opportunities to strengthen the integration of Performance with Purpose into its business agenda and processes. Going forward, the PepsiCo Executive Committee will assume direct oversight of the sustainability agenda, make strategic decisions, and champion performance management. Theme leads, empowered by the Executive Committee, will be appointed as subject matter experts to create and oversee global roadmap development and ensure business alignment to deliver on the goals. They are selected for their deep knowledge of the goals they are directing, and they work with teams composed of representatives from key functions across all geographic sectors (sector leads). Theme leads will align their agendas with the sector leads, who will be on point to ensure successful implementation of processes across businesses. Theme leads will be supported by the Sustainability Office, which will be responsible for driving the strategic framework and performance tracking.

Performance with Purpose allows PepsiCo to make valuable contributions to the SDGs. By focusing on creating and sustaining jobs, stimulating economic growth, transforming the product portfolio, protecting the planet, and enhancing the lives of people around the world, the company believes that impactful contributions to the SDGs will be made through its own business and its value chain – see Exhibit 1.3. Additionally, the PepsiCo Foundation, which aligns with PepsiCo's Performance with Purpose strategy and the SDGs, aims to provide opportunities for improved health, environmental conservation, and education in underserved regions through sustainable development partnerships and programs. All these are measures of PepsiCo's success.

Exhibit 1.3. Aligning Performance with Purpose to the SDGs.

CONTRIBUTING TO THE UN SUSTAINABLE DEVELOPMENT GOALS

PepsiCo's Performance with Purpose agenda allows us to make valuable contributions to goals shared by the global community. The SDGs call for worldwide action among governments, business and civil society to end hunger, protect the planet and enrich the lives of people around the world.

	PRODUCTS GOALS	PLANET GOALS	PEOPLE GOALS
1. NO POVERTY			✓
2. ZERO HUNGER	✓	✓	✓
3. GOOD HEALTH AND WELLBEING	✓	✓	✓
4. QUALITY EDUCATION			✓
5. GENDER EQUALITY			✓
6. CLEAN WATER AND SANITATION		✓	✓
7. AFFORDABLE AND CLEAN ENERGY		✓	
8. DECENT WORK AND ECONOMIC GROWTH			✓
9. INDUSTRY, INNOVATION AND INFRASTRUCTURE	✓	✓	
10. REDUCED INEQUALITIES			✓
11. SUSTAINABLE CITIES AND COMMUNITIES		✓	✓
12. RESPONSIBLE CONSUMPTION AND PRODUCTION	✓	✓	
13. CLIMATE ACTION		✓	
14. LIFE BELOW WATER		✓	
15. LIFE ON LAND		✓	✓
16. PEACE, JUSTICE AND STRONG INSTITUTIONS			✓
17. PARTNERSHIPS FOR THE GOALS	✓	✓	✓

Source: PepsiCo GRI 2015 Report, p. 5.

Like PepsiCo, the Italian energy giant Eni has invested time and resources in making sure that business strategies embody sustainability initiatives at their very core. For these reasons, over the last 10 years Eni has supported such a massive process of integration by innovating its management and accounting practices (see Busco *et al.*, 2013; 2014). Now alignment with the SDGs seems a natural step in a process that's rooted in making sustainability happen through inclusive strategies and business models.

1.5. How Eni pursues the SDGs

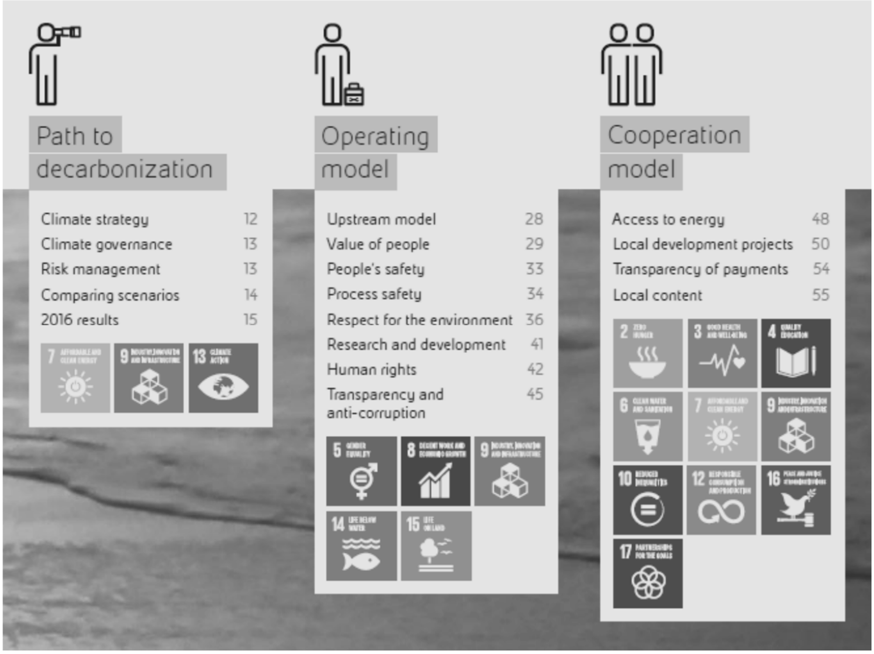
Labelled as *Eni for 2016*, the company's Sustainability Report declares upfront how the 17 SDGs are used as a guide for project development over the long term (www.eni.com/en_IT/home.page). The report suggests how the private sector can, and must, play a crucial role as the engine of sustainable development over the long term, balancing global business and financial goals and local socio-economic growth. This has led Eni to measure itself against the SDGs and reinforce the involvement in devising concrete solutions to move toward SDG achievement.

As a major operator in the energy field, Eni has two great challenges: maximizing access to energy and combatting climate change. To overcome these important challenges, Eni has defined a long-term integrated strategy to reconcile financial stability with social and environmental sustainability to create long-term value for all the stakeholders. To implement these strategic guidelines, Eni is leveraging three key levers (see Exhibit 1.4):

– A well-defined path to decarbonization;
– An operating model that reduces risks as well as environmental and social impacts; and
– A model with the hosting countries based on long-lasting partnership and cooperation.

First, Eni's commitment in promoting a well-defined path to decarbonization lies mainly in reducing its activities' emissions, developing renewable energies, and guaranteeing access to energy. With its plan to reduce greenhouse gas emissions, in 2016 Eni continued to reduce the emissions intensity index by 9% and is committed to continue to do so in order to reach the 43% reduction goal in 2025. The company will also continue to increase natural gas production, the bridge toward a low-carbon future, and to develop projects to install a capacity of 463 megawatts from renewables by 2020.

Exhibit 1.4. Eni's Strategic Guidelines as linked to the SDGs.

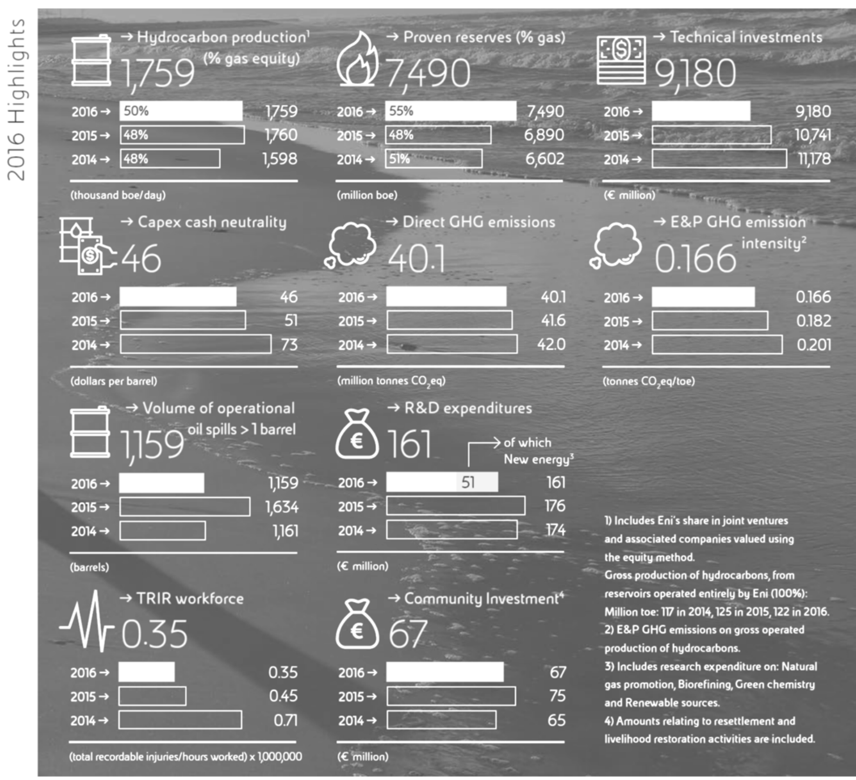


Source: Eni for 2016, Contents page.

Second, to make access to new energy resources more efficient and minimize risks throughout the whole production cycle, Eni plans to conduct its business using an operating model of excellence aimed at safeguarding people and assets, respecting the environment, and engaging in research and development. Thanks to this model, over the last three years the company has registered Total Recordable Injury Rate (TRIR) values for both employees and contractors that were significantly lower than the peer average. In 2016, Eni reduced the TRIR by 20.8% compared with 2015, with the aim to reach zero injuries as the company continues investing in training to spread its safety-first culture.

Third, Eni's cooperation model has been finalized to support local development, to minimize socioeconomic gaps, and to engage all the stakeholders. In this way, the company's method of working aims at filling the gaps of local development and developing local resources for local growth. In the territories where Eni is present, the company doesn't simply invest in the oil and gas production for export but mostly for the inland market while also investing in sectors that are distant from its own business, such as power stations to provide regional access to energy, promote local entrepreneurship, economic diversification, access to drinking water, and community health and education. For example, in Congo and Nigeria the company has invested $2 billion, respectively, providing about 60% and 20% of the electricity of these two countries. This model soon will be repeated in Angola and Ghana.

Exhibit 1.5. Integrated Performance Dashboard.



Source: Eni for 2016, p. 4.

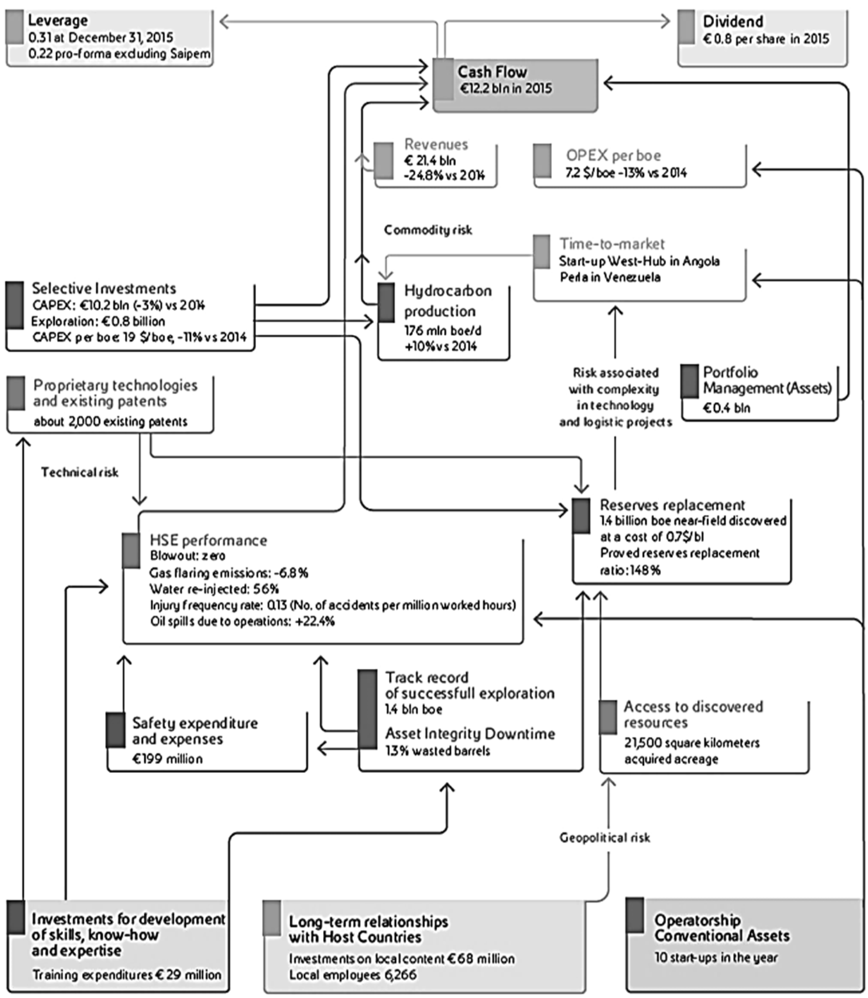
Eni's contributions to the SDGs through the execution of inclusive business and holistic projects development build on a new way to look at performance measurement and reporting. With the intention of better understanding, communicating, and executing its business model and the strategy identified by the Board, over the last five years Eni has innovated its management and accounting systems by turning to integrated thinking and reporting. Championed by the vice president for sustainability and subsequently fully embraced by the Finance organization, the adoption of this emerging practice was carried out by a workgroup composed of managers from Finance, Sustainability, External Relations, Corporate Governance, and Integrated Risk Management. The main goal was to offer a comprehensive view of the process of value creation by monitoring and connecting those key financial and pre-financial performance(s) essential to sustain the execution of sustainable strategies (See Exhibit 1.5 for an illustration of these integrated dashboards).

Eni's approach to integrated thinking and reporting departed from a deeper understanding of the financial and operating objectives featuring the organization's strategic plan and linked them with the resources used, the initiatives implemented, and the interdependences among the various drivers at work. The purpose was to highlight the way in which initiatives of sustainability contributed to achieving the strategic targets of the company. An interesting example is offered by upstream division, where financial returns and exploration success were linked to operational excellence and innovation.

Eni's performance measurement and reporting systems enable the company to monitor and measure the results achieved in the upstream area by applying the Dual Exploration Model. If this model's primary goal was to replace the existing reserves and, therefore, sustain organic production growth in the future through exploration, it makes it possible to immediately exploit certain discoveries and to generate cash flow through the sale of minority interests in some assets. This support in cash flow generated without compromising the goal of organically replacing the reserves at the same time reduces its financial exposure with regard to investments in the main projects.

Eni's holistic, integrated approach to measurement and reporting implemented by Eni permitted the company to highlight and value the key drivers of such a distinctive exploration strategy, which is based on a medium- to long-term vision; a focus on time to market; a governance and management of exploration processes; a professional development of Eni's workforce; an ability to protect, disseminate, and renew know-how; a constant focus on the opportunities provided by technological innovation; and, finally, rigorous attention to Health, Safety, and Environmental (HSE) aspects. From a measurement and reporting point of view, Eni decided to capture the effects of specific actions and initiatives taken in the upstream business and their impact on business objectives and risks in a cause-effect map showing a comprehensive connectivity of performance(s) (see Exhibit 1.6).

Exhibit 1.6. Connectivity of Performances Map.



Source: Eni Annual Integrated Report 2015, p. 20.

1.6. Make SDGs happen through Integrated Thinking: what role for the Finance function and for Accounting and Reporting practices?

Integrated Thinking is about connecting performance with purpose. It involves identifying, executing, and monitoring business decisions and strategies for long-term value creation. Integrated Thinking builds on the need to reconcile competitiveness and sustainable growth within the context of inclusive business models in order to take advantage of the opportunities and face the challenges of the market. For these reasons, as we have seen in the case of PepsiCo and Eni illustrated above, Integrated Thinking (and Reporting) can possibly contribute to aligning business organizations with the SDGs.

Nowadays most business organizations strive to balance competitiveness and sustainable growth by implementing programs and initiatives of sustainability intending to achieve specific targets in terms of governance, social, and environmental impact. But a mishmash of sustainability tactics does not guarantee the achievement of sustainable performance(s), which instead requires an integrated approach to the planning, management and reporting, that must take into consideration how the interests and the contributions of a series of heterogeneous stakeholders are linked into the models for long-term value creation.

Within this context, accounting and reporting offer tools and engagement platforms that are able to go beyond the mere representation of the initiatives of sustainability through a set of ad hoc targets and key performance indicators, to include processes of mediation among the different stakeholders who are involved. In this space, accountants, and finance experts in general, lead the search for sustainable performance by suggesting pragmatic solutions that are able to monitor and communicate ways in which such an inclusive business purpose may be converted into added value for a multitude of stakeholders – also in light of the SDGs. Finance experts often takes a centre stage in these situations, acting as both architects and orchestrators of an integrated process of thinking, measuring and reporting that mediates among multiple concerns, facilitates conversations, and fosters the generation of innovative solutions within contexts that are characterised by multiple backgrounds and points of view.

Whether recent critical academic and professional studies present Integrated Thinking and Reporting as a possible rational choice for facing existing challenges, a ceremonial response to the increasing pressures of markets and society, a temporary fad and fashion, this book acknowledges that this novel form of reporting has rapidly gained considerable prominence as one of the main management and accounting innovations of the recent decade. And this trend is due to continue – with several organizations adopting integrated thinking as a basis to foster internal processes of change. Our research and experience suggest that to make this happen effectively there is a need for internal sponsorship from a very high level: usually Board, CEO or CFO. Finance experts can play a very important role in these initiatives, as they manage processes to collect data, provide narratives, interpretation and analysis, and link with other functions.

Leading practices typically centre on the link between the Balanced Scorecard and Strategy Maps, presentation of the multiple "Capitals", and facilitation of engagement across multiple stakeholders. The main challenges concern identifying useful, reliable indicators, reporting them consistently and gaining buy-in from internal and external stakeholders. Later in the book we will highlight some recommendations to be considered by finance experts, accountants, and by all other organization leaders who intend to design and manage effective processes of Integrated Thinking to make sustainable strategies happen and contribute towards the achievement of the SGDs.

1.7. References

Adams, C. (2017), The Sustainable Development Goals, integrated thinking and the Integrated report, http://integratedreporting.org/resource/sdgs-integrated-thinking-and-the-integrated-report/. Accessed 8 December 2017.

Adams, C.A. (2015), "The international integrated reporting council: a call to action", *Critical Perspectives on Accounting*, Vol. 27, pp. 23-28.

Adams, S. and Simnett, R. (2011), "Integrated reporting: an opportunity for Australia's not-for-profit sector", *Australian Accounting Review*, Vol. 21 No. 3, pp. 292-301.

Barth, M.E., Cahan S.F., Chen, L., Venter, E.R. (2017), "The economic consequences associated with integrated report quality: Capital market and real effects", *Accounting, Organizations and Society*, Vol. 62, pp. 43-64.

Bebbington, J. (2001), "Sustainable development: a review of the international development, business and accounting literature", *Accounting Forum*, Vol. 25, No. 2, pp. 128-157.

Bebbington, J., Unerman, J., (2017), "Achieving the United Nations Sustainable Development Goals: an enabling role for accounting research", *Accounting, Auditing & Accountability Journal*, https://doi.org/10.1108/AAAJ-05-2017-2929.

Bommel, K. (2014), "Towards a legitimate compromise?: an exploration of Integrated Reporting in the Netherlands", *Accounting, Auditing & Accountability Journal*, Vol. 27 No. 7, pp. 1157-1189.

de Villiers, C. and Sharma, U. (2017), "A critical reflection on the future of financial, intellectual capital, sustainability and integrated reporting", *Critical Perspectives on Accounting*, http://dx.doi.org/10.1016/j.cpa.2017.05.003.

de Villiers, C., Rinaldi, L., Unerman, J. (2014), "Integrated Reporting: Insights, gaps and an agenda for future research", *Accounting, Auditing & Accountability Journal*, Vol. 27 No. 7, pp. 1042-1067.

Dumay, J., Bernardi, C., Guthrie, J., Demartini, P. (2016), "Integrated reporting: A structured literature review", *Accounting Forum*, Vol. 40 No. 2016, pp. 166-185.

Eni (2015), Annual Integrated Report 2015. https://www.eni.com/docs/en_IT/enicom/company/company-profile/Integrated-Annual-Report-2015.pdf. Accessed 8 December 2017.

Eni (2016), Eni for 2016. https://www.eni.com/docs/en_IT/enicom/ sustainability/EniFor-2016.pdf. Accessed 8 December 2017.

Flower, J. (2015), "The International Integrated Reporting Council: a story of failure", *Critical Perspectives on Accounting*. Vol. 27, pp. 1-17.

Higgins, C., Stubbs, W., Love, T. (2014), "Walking the talk(s): Organisational narratives of integrated reporting", *Accounting, Auditing & Accountability Journal*, Vol. 27 No. 7, pp. 1090-1119.

Kumar, P., Ahmed, F., Singh, R. and Sinha, P. (2017), "Determination of hierarchical relationships among sustainable development goals using interpretive structure modelling", *Environment, Development and Sustainability*. https://doi.org/10.1007/s10668-017-9981-1

PepsiCo (2015) GRI 2015 Report. http://www.pepsico.com/docs/album/sustainability-reporting/final_pep_2015_gri.pdf. Accessed 8 December 2017.

Sachs, J. (2012), "From Millennium Development Goals to Sustainable Development Goals", *The Lancet*, Vol. 379, pp. 2206-2211.

Scheyvens, R., Banks, G., and Hughes, E, (2016), "The Private Sector and the SDGs: The Need to Move Beyond 'Business as Usual'", *Sustainable Development*, Vol. 24, No. 6, pp. 371-382.

Serafeim, G. (2015), "Integrated Reporting and Investor Clientele", *Journal of Applied Corporate Finance*, Vol. 27 No. 2, pp. 34-51.

Simnett, R., Huggins, A.L. (2015), "Integrated reporting and assurance: where can research add value?", *Sustainability Accounting, Management and Policy Journal*, Vol. 6 No. 1, pp. 29-53.

Thomson, I. (2015), "But Does Sustainability need Capitalism or an Integrated Report a Commentary on 'The International Integrated Reporting Council: A Story of Failure' by Flower, J.", *Critical Perspectives on Accounting*, Vol. 27, pp. 18-22.

United Nation UN (2012), The Future We Want, https://sustainabledevelopment.un.org/content/documents/733FutureWeWant.pdf. Accessed 8 December 2017.