

Accounting and Sustainability Reporting

Prof. Michele Rubino, PhD - rubino@lum.it

Prof. Nicola Raimo, PhD – raimo@lum.it

Course description

This course analyses the topic of Accounting and Sustainability Reporting by focusing on the four main instruments/areas of corporate reporting: Integrated Reporting, Intellectual Capital Disclosure, Non-Financial Information and Reporting in the light of recent European Directives. The aim of the course is to examine the most important and topical aspects of corporate reporting and sustainability, to stimulate analysis and discussion among PhD students as well as to deepen the topic and identify some research gaps that could be filled and areas for future research.

Course format

The course is divided into 6 four-hour sessions.

- 1) Session 1 provides a theoretical framework for the evolution of corporate reporting tools, analyses the reasons that have led to this evolution and focuses on the recent evolutionary aspects of the topic. Finally, an overview is given of the main theories that attempt to explain the reasons that lead companies to disclose non-financial information.
- 2) Sessions 2, 3, 4 and 5 are devoted to analysing approximately 5-6 articles covering the areas of reporting mentioned above. Each session will generally cover the following topics:
 - Describe and articulate the research question(s) raised in an article and explain the arguments relating to the research questions and the theories used to support the discussions.
 - Assess how relevant the research questions and hypotheses are to scientific and societal progress and how sound and convincing the theoretical arguments developed are.
 - Describe the research methods and assess the extent to which they are suitable for answering the research question(s).
 - Summarise the results and conclusions and indicate the scope, limitations, strengths and weaknesses of the study.

In line with the above, before the session each student must:

- Read and analyse the papers.
- Prepare two presentations of approximately 12 slides in PowerPoint (the first one alone and the second together with a colleague designated by the professor), emphasising the following: The theoretical context/framework of the paper, the research question(s)/hypotheses, the methodology used by the author(s), the findings, the main conclusions and implications, strengths and weaknesses, the limitations and directions for future research suggested by the author(s), and finally your own critical perspective and new possible research questions.

The assignments for each session will be communicated to the PhD students. Presentations must be submitted via the classroom at least one day before the respective session date (midnight!).

- 1) Sessions 6 is dedicated to the presentation of possible ideas for future research. The aim is to stimulate the identification of a possible research topic that can be elaborated later (also as a possible final paper). Therefore, at least two days before the date of the session (midnight!), each student must prepare and send over the classroom a PowerPoint presentation highlighting the research objectives, the gap to be filled and the aspects to be analysed.

Course evaluation

The final assessment consists of:

- Class participation (20%).
- Evaluation of the assignments of each session (30% of the grade).
- Final paper (50% of the grade), which consists of writing a paper on the course topics. The paper must focus on the topics covered during the course and may consist of:
 1. a literature review;
 2. a qualitative research paper (single or multiple case study);
 3. a quantitative research paper.

A fully developed paper is required. Proposals or extended abstracts will not be accepted. The deadline for submission will be announced by the director of the PhD program.

Detailed syllabus with sessions' assignment

Session 1	September 9 th
Topic	<i>The development of sustainability reporting tools: from voluntary to mandatory disclosure</i>

Session 2	September 17 th
Topic	<i>Sustainability Reporting and ESG factors</i>
Assignments	<ol style="list-style-type: none"> 1. Dienes, D., Sassen, R., & Fischer, J. (2016). "What are the drivers of sustainability reporting? A systematic review". <i>Sustainability Accounting, Management and Policy Journal</i>. 7(2), 154-189 2. Clarkson, P. M., Li, Y., Richardson, G. D., & Vasvari, F. P. (2008). Revisiting the relation between environmental performance and environmental disclosure: An empirical analysis. <i>Accounting, organizations and society</i>, 33(4-5), 303-327. 3. Michelon, G., Pilonato, S., & Ricceri, F. (2015). "CSR reporting practices and the quality of disclosure: An empirical analysis". <i>Critical perspectives on accounting</i>, 33, 59-78. 4. Amran, A., Lee, S. P., & Devi, S. S. (2014). The influence of governance structure and strategic corporate social responsibility toward sustainability reporting quality. <i>Business Strategy and the environment</i>, 23(4), 217-235. 5. Lopatta, K., Tideman, S. A., Scheil, C., & Makarem, N. (2023). The current state of corporate human rights disclosure of the global top 500 business enterprises: Measurement and determinants. <i>Critical perspectives on accounting</i>, 96, 1-30. 6. Paridhi, & Arora, A. (2023) Sustainability reporting: Current state and challenges. <i>Business Strategy & Development</i>, 1-20.



Session 3	September 18 th
Topic	<i>Non-Financial information under the EU directives</i>
Assignments	<ol style="list-style-type: none"> 1. Doni, F., Martini, S. B., Corvino, A., & Mazzoni, M. (2019). “Voluntary versus mandatory non-financial disclosure: EU Directive 95/2014 and sustainability reporting practices based on empirical evidence from Italy”. <i>Meditari Accountancy Research</i>, 28(5), 781-802. 2. Zarzycka, E., & Krasodomska, J. (2022). “Non-financial key performance indicators: what determines the differences in the quality and quantity of the disclosures?”. <i>Journal of Applied Accounting Research</i>, 23(1), 139-162. 3. Bigelli, M., Mengoli, S., & Sandri, S. (2023). ESG score, board structure and the impact of the non-financial reporting directive on European firms. <i>Journal of Economics and Business</i>, 1-13. 4. Cuomo, F., Gaia, S., Girardone, C., & Piserà, S. (2024). The effects of the EU non-financial reporting directive on corporate social responsibility. <i>The European journal of finance</i>, 30(7), 726-752. 5. Pizzi, S., & Coronella, L. Are listed SMEs ready for the corporate sustainability reporting directive? Evidence from Italy. <i>Business Ethics, the Environment & Responsibility</i>, 1-12. 6. Krasodomska, J., Zarzycka, E., & Zieniuk, P. (2024). Voluntary sustainability reporting assurance in the European Union before the advent of the corporate sustainability reporting directive: The country and firm-level impact of Sustainable Development Goals. <i>Sustainable development</i>, 32(3), 1652-1664.

Session 4	September 24 th
Topic	<i>Intellectual capital disclosure</i>
Assignments	<ol style="list-style-type: none"> 1. Cuozzo, B., Dumay, J., Palmaccio, M., & Lombardi, R. (2017). Intellectual capital disclosure: a structured literature review. <i>Journal of Intellectual Capital</i>, 18(1), 9-28. 2. Hidalgo, R. L., García-Meca, E., & Martínez, I. (2011). Corporate governance and intellectual capital disclosure. <i>Journal of Business Ethics</i>, 100, 483-495. 3. Salvi, A., Vitolla, F., Raimo, N., Rubino, M., & Petruzzella, F. (2020). Does intellectual capital disclosure affect the cost of equity capital? An empirical analysis in the integrated reporting context. <i>Journal of Intellectual Capital</i>, 21(6), 985-1007. 4. Manes Rossi, F., Nicolò, G., & Tartaglia Polcini, P. (2018). New trends in intellectual capital reporting: Exploring online intellectual capital disclosure in Italian universities. <i>Journal of Intellectual Capital</i>, 19(4), 814-835. 5. Vitolla, F., Raimo, N., Rubino, M., & Garzoni, A. (2022). Broadening the horizons of intellectual capital disclosure to the sports industry: evidence from top UEFA clubs. <i>Meditari Accountancy Research</i>, 30(1), 142-162. 6. Nicolò, G., Ferullo, D., Aversano, N., & Ardito, N. (2022). Intellectual capital disclosure and its determinants in healthcare organisations—Evidence from Italy. <i>International Journal of Public Sector Management</i>, 36(1), 20-45.



Session 5	September 25 th
Topic	<i>Integrated Reporting</i>
Assignments	<ol style="list-style-type: none">1. Soriya, S., & Rastogi, P. (2022). A systematic literature review on integrated reporting from 2011 to 2020. <i>Journal of Financial Reporting and Accounting</i>, 20(3/4), 558-579.2. Vitolla, F., Raimo, N., & Rubino, M. (2020). “Board characteristics and integrated reporting quality: An agency theory perspective”. <i>Corporate Social Responsibility and Environmental Management</i>, 27(2), 1152-1163.3. Dumay, J., Bernardi, C., Guthrie, J., & Demartini, P. (2016). “Integrated reporting: A structured literature review”. <i>Accounting forum</i>, 40(3), 166-185.4. 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”. <i>Accounting, Organizations and Society</i>, 62, 43-64.5. Vitolla, F., Raimo, N., Rubino, M., & Garzoni, A. (2019). The impact of national culture on integrated reporting quality. A stakeholder theory approach. <i>Business Strategy and the Environment</i>, 28(8), 1558-1571.6. Gerwanski, J. (2020). Does it pay off? Integrated reporting and cost of debt: European evidence. <i>Corporate Social Responsibility and Environmental Management</i>, 27(5), 2299-2319.

Session 6	October 17 th
Topic	<i>Presentation of research ideas</i>