SUSTAINABILITY PRIORITIES OF INDUSTRY LEADERS — 2020 and BEYOND

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SUMMARY: *This study provides a review of sustainability reporting and measurement practices by industry leaders and summarizes corporate efforts and intentions in support of The United Nations Sustainable Development Goals (SDGs). Using a content analysis of reports of recognized sustainability leaders, the study examines the stated sustainability goals and measures for 2020 and beyond and the alignment of corporate goals with the SDGs. The study highlights the challenges corporations face in measuring social performance and reviews some of the measures taken to overcome these obstacles. The study concludes with implications for research and lessons both large and small businesses can glean from the reporting practices of these industry leaders.*

Keywords: sustainability leaders, sustainability commitments

INTRODUCTION

Sustainability reporting allows organizations an opportunity to inform stakeholders of their priorities and performance related to environmental, social, and governance issues. An increase in sustainability and social reporting stems from pressure from consumers, regulatory agencies, and activist groups, as well as the need to show stakeholders that the organization is a good corporate citizen (Wood, Mitchell, Agle & Bryan, 2018). Neilsen reports that prior to 2013, only 20 percent of the S&P 500 companies disclosed their environmental, social and governance (ESG) information; by 2015, 85 percent of S&P 500 companies were reporting their ESG activities (Neilsen, 2015). To facilitate this increased reporting, several reporting mechanisms have been developed over the last few decades, such as the Global Reporting Initiative (GRI), the United Nations Global Compact (UNGC), and the investment group Kinder, Lydenberg & Domini (KLD). The content of sustainability reports is largely driven by the standards and guidance of these organizations.

Corporations are increasingly being called upon to go beyond philanthropic sponsorships, volunteer programs, and community corporate social responsibility projects to play a larger role as global citizens to help solve large-scale global problems (Matten & Crane, 2005; Sachs, 2016). Twenty-eight percent of the Fortune 500 companies (Morgado, 2019) and over 9,500 companies in 160 countries have signed on to the United Nations Global Compact pledging to support its 10 principals with respect to human rights, labor, environment, and anti-corruption, along with

committing to public accountability, transparency, and annual communication of progress (United Nations, 2020). Corporations are also pledging their support to the UN's 2030 Sustainable Development Goals (SDGs) announced in 2015. These 17 goals, also called Global Goals, represent a "universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity" (UNDP, 2017). Figure 1 lists the 17 goals and the associated symbols.

Figure 1
Sustainable Development Goals

The pursuit of the Sustainable Development Goals offers corporations a unique opportunity to create shared value in the communities in which they operate and to expand into new markets. The Business Commission on the SDGs, comprised of 35 business, academic, and civil society leaders including the CEOs of Unilever, Mars, and JP Morgan Chase, identified the 60 fastest growing market opportunities associated with the SDGs and estimated that $12 trillion of market activity can be realized by 2030 by achieving the SDGs. Fifteen of these opportunities take place in four economic systems—food and agriculture, cities, energy and materials, and health and well-being—and will account for 50 percent of the growth (Business & Sustainable Development Commission, 2017). The Commission also predicts that first movers "who have already aligned their resource use and workforce management with the Global Goals will have a 5 to 15-year advantage on the sustainable playing field" (Business & Sustainable Development Commission,

2017, p. 17). Several of the companies researched in this study have, in fact, communicated the alignment of their sustainability commitments with the SDGs.

This study examines sustainability reports of corporations that seek to create shared value and are recognized for being good corporate citizens. Using long-term sustainability goals as a proxy for social involvement, it summarizes the corporate sustainability commitments for 2020 and beyond. By reviewing the sustainability goals by industry sector, the study determines the strategic priorities and alignment with the SDGs for the eight industry groups. Specifically, the study advances our understanding of the sustainability reporting by answering the following research questions:

1. What are the categories of strategic sustainability priorities and trends across industry sectors?

2. To what extent do corporate sustainability commitments support the UN's Sustainable Development Goals?

3. What are the challenges companies face in measuring social value, and how are corporations overcoming these obstacles?

While previous studies have elaborated on sustainability reporting, there is still much unknown about corporate commitments to sustainability, how they relate to overall corporate strategy, and how corporations measure shared value and their contributions to sustainable development. This study draws on corporate sustainability commitments for 2020 and beyond to investigate these issues. We suggest that these companies are sustainability leaders partly because they are seeking to incorporate sustainable practices into their strategic objectives. They go beyond the isomorphic reporting practices that are shaped by reporting platforms such as the GRI and seek to create and measure shared economic and social value. Publicly stated long-term goals give a clue to a company's strategic direction and priorities and will serve as an important driver for corporate sustainability activity over the next decade.

THEORETICAL FOUNDATIONS

Institutional theory and stakeholder theory have typically been used to explain corporate sustainability involvement. Researchers suggest that the adoption of corporate social responsibility (CSR) and sustainability practices and policies are largely the results of institutional pressure and mimetic responses rather than a strategic analysis of issues and stakeholder concerns (Campbell, 2007). Husted and Allen (2006) distinguish "global" issues such as human rights and environmental sustainability and argue that "the prominence of new agreements, such as the UN Global Compact, is evidence of the perceived need to provide an institutional structure for treating global CSR issues" (p. 3). They suggest that firms' ability to address both global issues and "local" community issues (e.g., job creation or zoning, which seldom have consensus on firms' obligations) along with their capability to articulate specific economic and social objectives, serve together as indications that a company is more likely to have a strategic, rather than institutional approach to CSR and sustainability (Husted & Allen, 2006).

Stakeholder theory (Freeman, 1984) – the most widely used theoretical framework for CSR research (Searcy, 2012) – argues that corporations have obligations to individuals and groups both inside and outside of the organization, which include employees, shareholders, customers,

suppliers, and the wider community in which they operate (Freeman, 1984). Hence sustainability metrics early emphasized the interaction between responsibilities (economic, legal, ethical, and social) and stakeholder groups (Carroll, 2016). Consistent with this approach have been efforts to reconcile the value of social initiatives with a business justification such as their ability to reduce cost or risk, improve competitive advantage, and/or raise reputation (Kurucz et al., 2008). Other research helped provide a foundation for understanding how business can be a vehicle for improving social value, such as Prahalad and Hart's (1999) discussion of the role of multinationals in sustainable development at the bottom of the pyramid.

The emphasis on creating shared value has been promulgated by Porter and Kramer (2006, 2011) and their consulting firm FSG. More and more corporations are embracing the concept of shared value and are searching for guidance on how to make the business case for such initiatives and how to measure the economic and social impact of these investments (Porter et al., 2011). Measures of social value are generally underdeveloped, and there is a dearth of research that addresses the need of managers to understand the impact of their social investments (Ebrahim & Rangan, 2014). Standard business performance indicators do not account for the outcome and impacts from shared value initiatives; consequently, new measurement models are needed (Porter et al., 2011; Tideman, Arts & Zandee, 2013). Thus, researchers must give further attention to this need. This study gives researchers and practitioners a snapshot of sustainability priorities for the next decade and highlights the importance of sustainability commitments and the effective measurement of these efforts and the outcomes.

METHODOLOGY

This study uses content analysis to examine the measurement and reporting practices for corporate social initiatives. Content analysis is a "research technique for making replicable and valid inferences from data according to their context (Krippendorff, 1980, p. 21) and is often used in assessing corporate sustainability disclosures (Campopiano & Massis. 2015; Milne & Adler, 1999). This method allows researchers to gather otherwise unavailable information and generally affords greater reliability and replication of results (Campopiano & Massis, 2015; Potter & Levin-Donnerstein, 1999). Thematic content analysis, which utilizes pre-determined coding categories, was used to explore topics related to their long-term goals and commitments and sustainability measurement and reporting practices. Specifically, information collected for each company included: goals and performance indicators for 2020 and beyond, headquarters location, revenue, operating profit, charitable contributions (cash and non-cash), employee volunteer hours, reporting framework used, strategic priorities for sustainability, social and environmental standards used, SDG involvement, membership in United Nations Global Compact, other memberships, partnerships, and measurement examples. Some reports did not contain all of the information.

The aim of the study is to assess the strategic sustainability priorities, measurement practices, and the alignment with the global goals; consequently, the quantity and quality of environmental and social performance indicators and long-term sustainability commitments for 2020 and beyond were of primary interest for this research. Company websites and other public documents were used to obtain information that was not contained in the sustainability reports. In cases where long-term goals were not stated in the report or on the website (about five), the lead researcher used current year performance metrics as a proxy for sustainability commitments.

The companies selected were companies on Fortune's 2016 Change the World Index and the Dow Jones Sustainability Index (DJSI) Industry Group Leaders. The Change the World Index consists of 50 Companies with annual revenues of $1 billion or more, which "have had a positive social impact through activities that are part of their core business strategy" (Fortune, 2017). This list was chosen because the criteria for inclusion on the list—social and economic impact—are closely aligned with the goals of this study. Other lists, such as Ranker Top Socially Responsible Companies, are based on reputation and are "highly influenced by the corporation's size, age, and access to the mass media, as well as by the experience of the respondent in the business" (Abbott & Monsen 1979, p. 503). The Fortune companies were evaluated and ranked by 1) measurable social impact, 2) economic benefit of the social initiative, and 3) the degree of innovation (Fry & Leaf, 2017). The DJSI Industry Group Leaders represent the highest-scoring firm for each of the 24 industry groups comprising the DJSI. The list represents leading sustainability-driven companies throughout the world based on RobecoSAM's analysis of financially relevant environmental, social, and governance (ESG) factors and S&P DJSI index methodology. Three companies (Unilever, Nestle, and DSM) were on both lists.

The GRI database or the company website was used to locate the most recent sustainability report for the 71 companies on the two lists. An English sustainability report could not be located for five of the companies on the Change the World list, so the final sample consisted of 66 companies. The most current report included 27 reports for 2016, 28 reports for 2015, and 3 reports for 2014.

DATA ANALYSIS

GRI Reporting Framework

Table 1 provides a list of the company sustainability reports reviewed for this study. The companies are grouped by industry sectors based on the Global Industry Classification Standard (GICS) with related secondary classifications grouped together. Research has shown that company reporting practices may vary by industry (Alonso-Almeida, Llach, & Marimon, 2014). All except three companies in the financial sector used the GRI reporting framework (95%); all of the DJSI group leaders used the GRI reporting framework. Twenty-three, or 35 percent, of the companies, are headquartered in the U.S.; 43, or 65 percent, are located outside of the U.S.

Table 1
Company Summary

Table 1 - Company Summary				
Company	**Country**	**United Nations Global Compact**	**Sustainable Development Goals (SDG) Involvement**	**Global Reporting Initiative**
Consumer Discretionary: Autos & Components; Consumer Durables & Apparel				
BMW (Bayerische Motoren Werke) AG∘	Germany	✓	✓	✓
Crystal Group+	Hong Kong	n.a.	n.a.	✓
LG Electronics∘	Korea	✓	✓	✓
Nike+	USA	✓	n.a.	✓
Panasonic+	Japan	n.a.	✓	✓
Percent of Involvement		69%	60%	100%
Consumer Discretionary: Retailing, Consumer Services, Media				
Compass Group+	UK	✓	n.a.	✓
CVS Health+	USA	n.a.	✓	✓
Gap+	USA	✓	n.a.	✓
Industria de Diseno Textil∘	Spain	✓	✓	✓
McDonald's+	USA	n.a.	n.a.	✓
Metro Group∘	Germany	✓	✓	✓
Olam International+	Singapore	✓	✓	✓
Sodexo∘	France	✓	✓	✓
Starbucks+	USA	✓	n.a.	✓
Telenet Group Holding NV∘	Belgium	✓	n.a.	✓
Walmart+	USA	n.a.	n.a.	✓
Percent of Involvement		82%	45%	100%
Consumer Staples: Food & Beverages; Household & Personal Products				
Coca-Cola+	USA	✓	✓	✓
Godrej Group+	India	✓	✓	✓
Grupo Bimbo+	Mexico	✓	✓	✓
Heineken	Netherlands	n.a.	✓	✓
Ito En+	Japan	n.a.	n.a.	✓
Nestlé∘+	Switzerland	✓	✓	✓
PepsiCo+	USA	✓	✓	✓
Unilever∘+	UK	✓	✓	✓
Percent of Involvement		75%	88%	100%
Energy; Materials; Utilities				
DSM+	Netherlands	✓	✓	✓
Fibria Celulose+	Brazil	✓	✓	✓
First Solar+	USA	n.a.	n.a.	✓
Iberdrola SA∘	Spain	✓	✓	✓
Koninklijke DSM NV∘+	Netherlands	✓	✓	✓
Novozymes+	Denmark	✓	✓	✓
Thai Oil PCL∘	Thailand	✓	✓	✓
Percent of Involvement		86%	86%	100%

+Dow Jones Sustainability Index Industry Group Leader
∘ Fortune Change the World List

Table 1 - Company Summary (Continued)				
Company	Country	United Nations Global Compact	Sustainable Development Goals (SDG) Involvement	Global Reporting Initiative
Financials; Real Estate				
Banco de Crédito+	Chile	✓	n.a.	✓
Bank of America+	USA	✓	✓	✓
BTPN+	Indonesia	n.a.	n.a.	n.a.
MasterCard+	USA	✓	✓	n.a.
Munich Re+	Germany	✓	✓	✓
National Australia Bank+	Australia	✓	✓	✓
PayPal Holdings+	USA	n.a.	✓	n.a.
Skandia+	Sweden	✓	✓	✓
Stockland+	Australia	✓	✓	✓
Swiss Re AG+	Switzerland	✓	✓	✓
Tribanco+	Brazil	n.a.	n.a.	✓
UBS Group AG NO+	Switzerland	n.a.	✓	✓
Wespac Banking Corp+	Australia	✓	✓	✓
Percent of Involvement		69%	77%	77%
Industrials				
General Electric+	USA	✓	✓	✓
Koninklijke Philips NV○	Netherland	✓	✓	✓
PostNL NV○	Netherlands	✓	✓	✓
Schneider Electric+	France	✓	✓	✓
SGS SA○	Switzerland	✓	✓	✓
Siemens+	Germany	✓	✓	✓
United Technologies+	USA	n.a.	✓	✓
Percent of Involvement		86%	100%	100%
Healthcare				
Abbott Laboratories○	USA	n.a.	✓	✓
Becton Dickinson+	USA	n.a.	✓	✓
Cipla+	India	n.a.	n.a.	✓
Gilead Sciences+	USA	n.a.	✓	✓
GlaxoSmithKline+	UK	✓	✓	✓
Johnson & Johnson+	USA	✓	✓	✓
Roche Holding AG○	Switzerland	n.a.	✓	✓
Percent of Involvement		22%	86%	100%
Technology; Telecommunications				
Accenture+	USA	✓	✓	✓
Advanced Semiconductor Engineering○	Taiwan	✓	✓	✓
Atos SE NO○	France	✓	n.a.	✓
HP○	USA	✓	✓	✓
IBM+	USA	n.a.	✓	✓
Intel+	USA	✓	✓	✓
LinkedIn+	USA	✓	✓	n.a.
salesforce.com+	USA	n.a.	✓	✓
Telecom Italia SpA○	Italy	✓	✓	✓
Percent of Involvement		78%	88%	88%

+Dow Jones Sustainability Index Industry Group Leader

○ Fortune Change the World List

UN Global Compact and SDG involvement

Table 1 also shows the companies that are part of the United Nations Global Compact and those that have indicated their commitment to support the SDGs. Most of the companies (70 percent) are part of the UN Global Compact. Of the 46 companies that have signed on to the UNGC, 39 or 85 percent of them have also publicly committed to supporting the SDGs. There were 12 companies (18 percent) who were not involved with the UNGC but indicated a commitment to work towards the SDGs. These figures suggest that corporate involvement in the UNGC is associated with a public commitment to support the SDGs. However, most of the companies in the healthcare sector (71 percent) were not part of the UNGC, but 86 percent of the healthcare companies have pledged their support for the global goals. Although the reasons for this finding requires further investigation and are beyond the scope of this study, the direct ties to the SDG emphasis on health outcomes in developing countries suggest a natural justification for healthcare sector involvement. Only 45 percent of the corporations in retailing and consumer services, like Walmart and Starbucks, indicated involvement with the SDGs. Several companies indicate in detail how each of their sustainability goals aligned with the 17 UN SDGs. Figure 2 is an excerpt from Coca-Cola's report.

Figure 2
Coca-Cola Sustainable Development Goals

Sustainability Goals

The GRI includes both standard quantitative and qualitative economic, environmental, and social performance indicators. While economic indicators such as total operating profit were reported, most companies did not have stated economic goals in their sustainability reports, and instead mainly focused on environmental and social indicators. Table 2 shows the number and category of goals by industry groups. Corporations frequently discussed goals around a) environmental performance, b) the sourcing of raw materials and inputs for production, c) employee safety, training, and diversity, d) product innovations that lead to positive environmental, health, or society impacts, e) compliance with ethical principles and human rights standards, and f) community initiatives in the areas of health and well-being, education, employment, and economic empowerment. The industries with regular and frequent contact with the public (i.e. food & beverage and retailing) tend to have both more and a greater variety of goals per company.

Table 2
Number of Goals by Industry Group

Environmental goals

Name of Industry	Total Goals	Average No. of Goals	Product responsibility/ Innovation	Environmental	Water	Supply Chain Practices	Sustainable Product Sourcing	Employee Labor Practices	Community	Compliance
Retailing, Consumer Services, Media	86	9	12	28	1	10	8	9	16	2
Autos & Components; Consumer Durables & Apparel	21	7	4	6	4	2	2	1	2	0
Food & Beverages; Household & Personal Products	129	14	17	29	24	11	11	5	29	3
Energy; Materials; Utilities	49	7	2	20	3	3	0	14	7	0
Financials	74	6	8	29	2	7	1	7	20	0
Healthcare	53	8	9	13	3	3	0	11	14	0
Industrials	38	6	4	14	3	1	0	6	6	4
Technology; Telecommunications	57	7	8	21	2	5	0	7	13	1
Totals	543	8	64	160	38	42	22	60	107	10

Nearly all industry groups had more commitments around environmental goals than any other category. Healthcare and the consumer staples sector (food & beverages; consumer and household products) were an exception in that they had approximately an equal number of environmental and community engagement goals. GRI environmental indicators include energy consumption and intensity, water withdrawal, direct and indirect greenhouse gas emissions, and intensity, effluents and waste, the environmental impact of products and services, the impact of transporting materials and employees, and supplier impact assessments. Environmental reporting

may be favored as it is mainly quantitative and has more standardized, developed performance measures. Sample environmental goals are included in Table 3.

Social Goals

The GRI topics under the social category cover labor practices (i.e. health and safety, training, diversity, equal pay, supplier labor practices, and grievance mechanisms), human rights (child labor, forced labor, supplier human rights assessment), society (anti-corruption, community engagement, political contributions), and product responsibility (labeling, consumer health and safety, third party certification, customer privacy). Community engagement, employee labor practices and product responsibility were the areas with the most long-term commitments under the social category. Most companies outlined their stakeholder engagement process. Sample social goals are also included in Table 3.

Table 3
Sample Goals by Industry and SDG Alignment

Category	Sample Goals	SDG Alignment
Table 3 - Sample Goals by Industry and SDG Alignment		
Autos & Components; Consumer Durables & Apparel		
Environment	Reduce its resource consumption (energy, water, waste, solvents) per vehicle produced by 45% by 2020. (BMW)	
Products	Increase the share of "Green 3 Star" products to 80 percent by 2020 (LG Electronics)	
Water	Reduce fresh water consumption per garment by 10% (Crystal Group)	
Sourcing	Source 100% of cotton sustainably and reduce landfill waste (Nike)	
Energy; Materials; Utilities		
Community	Help the community make 70% of the income-generating projects supported by the company self-sustaining by 2025 (Fibria Celulose)	
Water	Complete water risk assessments on 90% of selected sites by 2020. (DSM)	
Food & Beverages; Household & Personal Products		
Compliance	Implement grievance system improvements in pilot markets by 2020. (Nestle)	
Product	Support the humane treatment of animals in agriculture with a commitment to use 100 percent cage-free eggs in our operations by 2025. (General Mills)	
Sourcing	Use 100% sustainably sourced cane sugar by 2020. (PepsiCo)	
Water, Sanitation & Hygiene	Pledge an additional $35 million to support Pan-African safe water access, sanitation and hygiene (WASH) programs for 4 million people by 2020. (Coca-Cola)	
Human Rights	Conduct 28 country-level human rights due diligence studies focused on land rights, child labor and forced labor by 2020, in accordance with Oxfam agreement. (Coca-Cola)	
Financials		
Supply Chain	Ensure that 90% of material suppliers are compliant with Group Supplier Sustainability Principles (GSSPs). (NAB)	
Environment	Reduce location- based gas emissions by 50%. (Bank of America)	
Community	Reach 500 million people previously excluded from financial services by 2020. (MasterCard)	

Category	Sample Goals	SDG Alignment
Healthcare		
Community	Improve access to healthcare for 20 million under-served people by 2020. (GlaxoSmithKline)	3, 10
Employee	Reduce global traffic fatalities and injuries by 50 percent between 2011 and 2020. (Abbott)	3, 8, 10, 12
Industrials		
Compliance	Pass 100% compliance/assurance scores. (United Technologies)	9
Products	Produce about 1,400 large commercial and military engines per year by 2020. (United Technologies)	9
Employee	Achieve 30% of senior management positions held by women. (SGS SA)	8, 16
Pharmaceuticals		
Environment	Reduce general waste per employee by 10% and landfilling of organic chemicals by 50% by 2020. (Roche)	12, 15
Water	Reduce total wastewater toxicity in selected production plants by 10% by 2020. (Roche)	12, 14
Employee	Rank in top quartile in overall employee engagement score, measured by the Global Employee Opinion Survey. (Roche)	3, 8, 12
Retailing		
Education	Graduate 25,000 partners by 2025 and increase accessibility and performance. (Starbucks)	3, 4, 8, 17
Supply Chain	Reduce its carbon footprint by 34% across all of its activities and its supply chain between 2011 and 2020. (Sodexo)	12, 13, 14
Sourcing	Make sure 100% of paper procured is sustainably sourced by 2020. (CVS)	12
Technology		
Community	Reduce the Internet gender gap by 50% in Sub-Saharan Africa by 2020 through the Intel® She Will Connect program (IBM)	5, 10, 16, 17
Supply Chain	Develop a total of 170 small, medium and diverse suppliers through our Diverse Supplier Development Program. (Accenture)	8, 9

Table 3 - Sample Goals by Industry and SDG Alignment (Continued)

The Challenge of Social Impact Measurement

Several reports mentioned the need for better measurement of social impact measures and discussed initiatives to create more effective measures. For example, Inditex, one of the world's largest retailers with headquarters in Spain reported, "We continued to make significant progress on more in-depth analysis of the outputs and impacts of our community investment programmes.

More specifically, this year we have assessed the positive changes in programme beneficiaries based on two different dimensions: the depth and type of impact" (Inditex, 2015, p. 46).

Many of the indicators used to measure social performance are measures of inputs (the resources used to implement a project such as personnel and finances), and activities (the action of personnel or staff to deliver the initiative's objectives) such as conducting training sessions. While it is important to measure inputs and activities for internal recordkeeping and reporting, performance indicators that focus on *results* give clues regarding the effectiveness of the initiative. (Parsons, Gokey, & Thornton, 2013). The efforts of Inditex described above illustrate the desire of corporations to move beyond the counting of inputs and activities to the measurement of processes that inform decision making, improve processes, guide resource allocation, and measure social impact. Impacts are difficult to measure because they are usually long-term results, and other variables may contribute to the result (UNEP, 2009).

Measurement Efforts and Approaches

Corporations are looking for novel solutions to measure the effectiveness and impact of their social performance. Social life cycle assessment (S-LCA) is a method of quantitatively assessing the social and socio-economic aspects of products and services and "their potential positive and negative impacts along their life cycle encompassing extraction and processing of raw materials; manufacturing; distribution; use; re-use; maintenance; recycling; and final disposal" (ISO 26000, 2017). Life cycle assessment (LCA) has been used for several years to assess environmental impacts and was discussed in the reports of several companies such as Becton Dickson, Panasonic, and DSM. The United Nations Environmental Programme (UNEP) seeks to extend life cycle methods and practices to social and socio-economic impacts in order to complement environmental LCA and published a guidebook for companies in the use of S-LCA (UNEP, 2009).

Corporations are turning to partnerships with NGOs, forming industry coalitions, and using consultants to build capacity in measuring social outcomes and impacts. For example, corporations are investigating and trying varied approaches to improve the quality of measurement for social initiatives. IBM for instance, is a founding member of "Impact 2030" which is a business-led coalition of leaders from corporations, the United Nations, academic institutions, civil society, and philanthropic organizations with the goal of aligning corporate volunteer efforts around the Sustainable Development Goals and developing robust measurement tools and metrics. Inditex, on the other hand, uses the London Benchmarking Group model to classify and measure community investments based on both the depth and type of impact. Depth, in particular, refers to the effects of projects on beneficiaries in three categories: connection--the number of people reached by an activity who can report some limited change as a result of an activity; improvement--the number of people who can report some substantive improvement in their lives as a result of the activity; and transformation--the number of people who can report an enduring change in their circumstances, or for whom a change can be observed, as a result of the improvements made.

Implications for Theory and Research

The evolution of sustainability involvement challenges the notion of institutional theorists that CSR activities are merely isomorphic practices in response to external pressure and are necessary to safeguard the firm's reputation (Campbell, 2007). The long-term sustainability goals of these industry leaders suggest that they go beyond isomorphic practices and embrace the strategic objectives of the firm in response to an analysis of issues and stakeholder demands. They are adopting country- and location-specific strategies to address specific challenges and concerns of developing country communities. There are no boiler-plate solutions and performance indicators for many of these initiatives, and companies are working with a variety of partners to implement solutions and measurement processes. As Husted and Allen (2006) would suggest, these companies are pursuing a strategic rather than just an institutional approach to sustainability.

While the general topic of sustainability has been widely researched, there has been little research focus on sustainability measurement systems, especially in the social sector. A review of the reports of these sustainability leaders clearly suggests the need for additional research focus in this area. The SDGs have served as a galvanizing force for corporations and stakeholders to work together for a greater common cause. What may have started as mimetic behaviors for some corporations has now evolved into a change in the way corporations operate. Organizations like Nestle and Unilever have woven the tenets of shared value into their cultures, and their CEOs serve as ambassadors to encourage others to join the movement. Still, while leaders in creating shared value, even these firms are challenged to develop effective measurement processes for social initiatives. Thus, researchers can assist corporations in developing reliable, valid, and comparable measures.

Implications for Practice

Both large and small businesses alike can glean lessons from the long-term commitments of these recognized sustainability leaders. These include the following:

1. Develop a transparent linkage between the company's strategic operations and social initiatives. Porter and his colleagues (2011) propose that companies can unlock new value from measurement through a feedback loop, resulting from an iterative process which involves: 1) identifying the social issues to target, 2) making the business case, 3) tracking progress, and 4) measuring results and using insights to unlock new value.

2. Sustainability initiatives may take place on the program level, the organization level, the society level, or at all three levels, and should include both economic and social indicators. At the program level, performance indicators should track business costs and revenue increases resulting from the initiative as well as community outcomes such as improved job skills, improved sanitation, or jobs created. On the company level, quantitative indicators such as revenue, cost, risk, brand value, customer attraction and retention, and improved reputation may be tracked. Qualitative measures, such as improved access to capital and license to operate, may also be assessed.

3. Social value is more difficult to assess because social outcomes may be affected by a wide range of variables that are unrelated to the initiative, and value may accrue at different time

periods. Short-term, intermediate, and long-term indicators can be used for on-going monitoring and evaluation. Intel, for example, uses easy, short-term measures such as the number of teachers and students trained and technology sales as well as intermediate indicators of teacher and student engagement to assess the effectiveness of its Education Transformation strategy. Indicators of student achievement and job preparedness are also important measures but may take years to unfold (Porter et al., 2011).

4. Performance indicators that measure company inputs, activity, and outputs such as dollars spent and volunteer hours are important for tracking internal metrics; however, social measures cannot stop here. Measurements that are linked to the program goals and focus on the outcomes and impact of corporate social efforts offer a better assessment of the effectiveness of social initiatives and a more thorough estimation of social value.

5. Effective social measurement requires measures that are reliable, valid, and comparable. Businesses of all sizes can adopt the performance indicators of reporting platforms like GRI. However, the GRI falls short in helping businesses measure the outcomes and impact of community initiatives. Consequently, corporations are turning to alliances, partnerships, and consultants to fill this void.

CONCLUSION

This study serves to beckon researchers to give further attention to this growing need of corporate managers. Companies no longer can look at sustainability as a "nice to have." In 2019, the Business Roundtable announced its Statement of Purpose of the Corporation, where 181 Corporate CEOs stated that it is a company obligation to provide for their employees, their suppliers, and the environment (Business Roundtable, 2019). Investors, in addition to general society, are calling for businesses to be more accountable for sustainability matters in society. This study attempts to aid researchers and practitioners to comprehend the importance of sustainability commitments and the effective measurement of these efforts and the outcomes.

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