



UNIVERSITA' DEGLI STUDI DI PADOVA

**DIPARTIMENTO DI SCIENZE ECONOMICHE ED AZIENDALI
"M.FANNO"**

**CORSO DI LAUREA MAGISTRALE IN
BUSINESS ADMINISTRATION**

TESI DI LAUREA

**FROM INFORMATION TO ENGAGEMENT:
A MODEL FOR THE SUSTAINABILITY REPORT OF THE "ORDINE DEI DOTTORI
COMMERCIALISTI ED ESPERTI CONTABILI" OF PADUA**

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ANNO ACCADEMICO 2019 – 2020

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INTRODUCTION

Corporate Social Responsibility (CSR) is not a new concept in the economic society, but it has never been more actual than now. The concept of CSR we are now familiar with has radically evolved over time; it has gone under a gradual transformational process, characterized by the awareness that a new economic model contemplating the central role of the person and not only of the business might rise. Social responsibility can even find its origins back in the XIII century in Italy, when the Medieval Communes were flourishing. Tuscany and Umbria are considered to be the cradle of philanthropic organizations, the first recognized initiatives whose aim was caring about the well-being of others, in particular of the most vulnerable categories. Those philanthropic organizations could represent the first sign in history of a social responsibility.

Formally speaking, social responsibility (SR) has its first roots back in the mid-to-late 1800s, at the time of the Industrial Revolution, when emerging businesses began to focus on employees in order to find ways to improve productivity. Murphy (1978) refers to that period as the “philanthropic era”. Conceptually, the origins of SR are to be found in the North-American Literature of the 1940’s. By that time, the growing opportunities for businesses during and after the World War II have meant that people began to look at companies as entities with social responsibilities (Latapí Agudelo et al., 2019).

The expression “Corporate Social Responsibility” (CSR) was actually born in the U.S. in 1953, when the American economist Howard Bowen argued whether businessmen should be expected to assume any responsibilities towards society. He was also the first one to give a definition of social responsibility as the obligation of businessmen “to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (Bowen, 1953). Bowen firmly claimed that time had come for enterprises to take on responsibilities with regard to society.

This new-born idea of managers being responsible toward society collided with Friedman’s Shareholder Theory, the most popular yet discussed at the time. According to Friedman, the sole responsibility of managers was to increase shareholders’ profits (Friedman, 1962): they should always act in the long-term best interests of shareholders and that should represent their motivation.

It was only during the 1970’s in the U.S. that the first theoretical formulations of CSR appeared. Publications concerned the extent at which it was reasonable at the time for corporations to be

involved in social issues and the new expectations that citizens placed on business organizations. From that moment onwards, the concept of CSR began to spread also at an international level and all the limitations of Friedman's theory started to be evident. Freeman's stakeholder approach aimed at increasing the effectiveness in which executives were managing their organizations (Freeman, 1984) and took into account the existence of other interests besides those of the shareholders. Increasing shareholders' profits cannot be the sole objective a firm, otherwise social welfare lacks, dissatisfaction increases and finally firms become detached from the community. Executives should not look at shareholders' wealth generation only, but also at the needs and interests of the organizations' stakeholders, such as suppliers, clients, customers, institutions, employees, communities. Freeman's Theory is considered as a milestone underpinning all the subsequent literature on CSR¹.

In the dynamic world of the present day, companies are facing the tough challenge to establish long-lasting relationships with their customers, who, in turn, are increasingly searching for high-quality products or services that can best satisfy their needs. The way the product itself is intended has also evolved in the recent years, so much so that the concept of "experience economy" has risen. Companies offering an experience or a memorable event provide their customers with a new product category that is particularly valuable. This underlines the current trend (and challenge) to look at the company's employees, clients, customers, suppliers, managers as stakeholders who are valuable not only for their bargaining power, but also for their feelings: their opinion and perception of the economic reality is extremely relevant for companies. In addition, while companies are facing competitive challenges for obtaining access to raw materials, know-how, financial resources and technology, consumers are developing a high degree of sensitivity on environmental issues and are becoming increasingly familiar with the concept of sustainability. These tendencies have pushed companies to focus on intangible factors (such as reputation, patents, competencies, knowledge) on which their competitive advantage can be built. CSR practices become part of this context, because they force companies to reconsider their governance model and to replace it with a stakeholder-centric approach.

¹ The latest definition of CSR provided by the European Commission came out in 2011. CSR is "*the responsibility of enterprises for their impact on society*" (EC, 2011) and it refers to the ability of enterprises to integrate ethical and society-related aspects into their strategic vision.

One of the instruments used by organizations to disclose information on CSR is the sustainability report², which provides stakeholders with transparent information on the non-financial performance of the company. The sustainability report is not a substitute of the annual report. It rather complements and integrates it, since the annual report, by depicting only the economic-financial performance of the organization, has demonstrated its inability to provide an answer to stakeholders' wider information needs. Sustainability reports are a relatively recent practice of organizations, especially in Italy, and find their reason-to-exist in the concept of ethics and in the increasing transparency expectations of the community in relation to the employed resources, the carried-out activities and the achieved results. It is relevant to highlight that an important section of the sustainability report deals with the social impact measurement, which, in Italian, goes under the name of VIS - Valutazione di Impatto Sociale. This kind of evaluation, which has been recently introduced, allows to measure ex-ante (and/or ex-post) the social impact that an action or program is likely to produce (and/or has produced).

The sustainability report represents the topic of this dissertation thesis, whose final aim is to illustrate the process that the ODCEC (Ordine dei Dottori Commercialisti ed Esperti Contabili) of Padua has followed in drafting its first sustainability report. Starting from a literature review mainly focused on the central role of sustainability reporting in providing transparent and decision-relevant information to stakeholders, the present academic work deals with the way in which the ODCEC of Padua puts into practice principles and guidelines to build a model for its sustainability report. The current work is structured in three chapters whose content is illustrated in the following lines.

The first chapter addresses from a theoretical point of view the limitations of the annual report in providing CSR-related information. Consequently, the main features of the sustainability report as an instrument capable to measure the efficiency and the effectiveness of the organization's activities in specific areas of reference (economic, social and environmental) are going to be illustrated. The key concept of "Accountability" will be introduced, as well as the strategic relevance of the report. Furthermore, standards and indicators useful for reporting and for evaluation purposes will be mentioned. Lastly, the Integrated Report will be presented, as it represents an additional and more complete instrument to communicate the value creation

² "*Sustainability Report*" is going to be used in the present document as the equivalent of what in Italian is called "*Bilancio Sociale*".

process to stakeholders: advantages, disadvantages and future challenges of the Integrated Report will be discussed.

The second chapter deals more closely with the professional Body “Ordine dei Dottori Commercialisti ed Esperti Contabili” of Padua (later: ODCEC) and its relationship with the so-called Third Sector. After the category of ETS (Entities of the Third Sector) will be presented from a legal perspective, the peculiarities of the sustainability report relating to that specific sector will be dealt with: reporting principles, contents and guidelines will be the objects of analysis. In order to have a clear picture of the professional Body (the ODCEC) which will be the subject of the third chapter, a review of the legal provisions regulating the entity and a review of its core values and characteristics are proposed.

The third chapter concerns the elaboration of a model for the first sustainability report of the ODCEC of Padua. Fundamental aspects in this perspective are surely the definition of the objective and the informational purposes of the report, the identification of the stakeholders, the actions carried out by the entity and the results they produced, the measurement of those results with the most appropriate quantitative and qualitative indicators. It will soon be evident that neither the literature nor the legal provisions agree on a definition of a measurement system when it comes to the evaluation of the social impact (“VIS”) generated by the entity. In order to face the issue, the ODCEC of Padua has decided to build a questionnaire and requested its Registered Members to fill it. The questionnaire, intended as an instrument of “VIS”, is aimed at understanding the effectiveness of the professional Body’s activities toward its Members and, in particular, the extent at which the person “Dottore Commercialista” feels part of the entity.

CHAPTER 1

THE SUSTAINABILITY REPORT: ORIGINS AND EVOLUTION

This chapter takes into consideration the informational purposes and responsibilities of the annual report and, which does not appear as an adequate instrument for displaying all the information relevant to stakeholders. The Sustainability Report, instead, is considered as a valid and recognised document to account for CSR. Which expectations does the sustainability report provide answers to? Which kind of corporate responsibilities does it refer to? Should it be considered as a strategically relevant document? The chapter addresses these questions and provides adequate answers. Ultimately, it introduces the concept of the Integrated Report, a relatively recent practice aimed at presenting in a synergistic manner both financial and non-financial information within one single report. The present chapter is organized in two main sections, respectively called “The informational limitations of the Annual Report” and “The Sustainability Report”.

1.1 THE INFORMATIONAL LIMITATIONS OF THE ANNUAL REPORT

The Annual Report represents a financial summary of the activities that a company has carried out during the reporting period. This section will make clear that the document in question is not enough anymore to display all the information that stakeholders need in order to evaluate a company’s performance. Stakeholders’ sensitivity toward environmental and social issues has increased over time: now companies have to provide their stakeholders with high-quality and transparent information so that they become accountable to them.

1.1.1 Transparency and accountability in Annual Reports

The Italian Civil Code refers to the annual report’s elaboration in article 2423³: the company’s administrators must draft financial statements which are composed by balance sheet, income statement and notes to the financial statements. Financial statements must be drafted in compliance with the principle of clarity and they shall give a true and accurate representation of the organization’s economic and financial situation as well as of its operating result.

Financial statements, as reported by the Civil Code, shall provide a true and accurate representation of the economic and financial situation of the company, useful to a large variety

³ Art. 2423, Italian Civil Code

of users to make economic decisions. The Income Statement (also known as Profit and Loss statement) reveals the company's ability to generate revenues and/or to reduce costs and it is the final result of all the transactions that have occurred during the accounting period. On the other side, the Balance Sheet photographs what the company owns and owes in a certain period of time as well as its capital structure, by providing information on assets, liabilities and equity. By examining data contained in the financial statements, investors and other users are given valuable information to evaluate how much profitable the business is and what it is worth.

As the Italian Civil Code states in art. 2423, financial statements' preparation shall occur in accordance with three regulating principles: clarity, truth and accuracy. The principle of clarity is there to ensure the greatest transparency of the financial data being displayed. The transparency principle appears to be crucial in the drawing up of financial statements and it refers to the creation of "an environment where information on existing condition, decision and action are made accessible, visible and understandable to all market participants" (Lepădatu and Pîrnău, 2009). Within the financial statements, transparency is achieved through full disclosure and through a fair presentation of useful information necessary for enabling a wide range of users to make economic decisions. It is true that higher transparency requires more information to be disclosed, but providing information is costly and takes time: a company should carefully evaluate the net benefits of providing more transparency. In addition to that, transparency is related to confidentiality: if confidential information is disclosed, competitors might gain an unfair competitive advantage.

Providing transparency in the annual report is, therefore, an obligation of the company, which discretionarily chooses the extent at which information will be disclosed. Transparency is strictly related to accountability, even if the relationship between them is still controversial. Although the concept of accountability will be explored in a deeper way lately in the chapter (see 1.2.2 "Accountability"), what appears to be relevant at this stage is the assumption that the provision of transparent information in the annual report should help companies be accountable to their stakeholders.

Fox (2007) researched on the relationship between transparency and accountability and finally argues that even if the former is supposed to generate the latter, that happens only under some specific conditions. On the one side, transparency can be opaque or clear, respectively in the case of disclosed information being unreliable (or only nominally divulged) or disclosed information being, instead, reliable. On the other side, accountability can have a soft or hard

face. The soft face could be called “answerability”, intended as the capacity to demand answers, while the hard face refers to the capacity to sanction. The results of the research are the following ones (see also Table 1):

- there is an area of overlap between transparency and accountability, meaning that clear transparency is a form of soft accountability. In this sense, “institutional answerability” can be considered as the first step to build the right to accountability;
- it is not possible to expect accountability from opaque transparency;
- in order to move toward hard accountability, civil-society organizations should encourage institutions of public accountability to do their job (capacity to sanction).

Transparency		Accountability	
Opaque	Clear	Soft	Hard
Dissemination and access to information			
	Institutional ‘answerability’		
			Sanctions, compensation and/or remediation

Table 1: The relationship between transparency and accountability (Source: Fox J., 2007 – p. 669)

The research on the relationship’s nature between transparency and accountability leads to the conclusion that the stronger an organization’s effort to provide clear transparent information in its annual report, the higher the chances for it to be held accountable by its stakeholders.

If accountability is intended as a responsibility to explain and justify what a company is doing to respect the commitments made with the stakeholders (Rusconi, 2002), then annual reports fulfill accountability in economic and financial terms. Annual report’s readers have the right to be provided with neutral and reliable information regarding the economic profitability and financial strength of the company. In this way, shareholders (existing and potential), employees, investors, public authorities are allowed to know about the organization’s performance in a sufficiently reliable manner. This, in turn, allows them to regulate their economic decisions. The purpose of annual reports is not to generate a positive judgement by shareholders, creditors and employees, but to make the audience understand, in a clear, concise and transparent manner, how well the company is going. The essence of annual report’s accountability lies in that: in a neutral representation of the facts, taken into account the information needs of the stakeholders.

1.1.2 Responsibilities of Annual Reports

According to what has been said so far, we can think about which kind of responsibility the company is meeting when it prepares its annual report. Annual reports, by giving representation of the financial situation of the company, refer to a responsibility which can be defined as statutory in kind. It is a responsibility that arises from a legal provision: by drafting an annual report, a company complies with the Law and meets the legal responsibility. Besides that, it could also be claimed that this responsibility is economic-financial in kind. Annual reports are considered as useful instruments for present and potential investors to evaluate both the company's ability to generate profit and its financial strength.

However, a company's set of actions does not determine only an economic or financial impact, but also, in broad terms, a social one. It follows that there is another kind of responsibility that companies have to report on if they want to provide a true and accurate representation of their activities: this is the above-mentioned Corporate Social Responsibility. By taking that into account, companies shall give importance to the social and environmental impact of their actions and put into practice what is called "Environmental accounting".

Environmental accounting is a concept that emerged in the 1970s, as a result of an increased awareness and concern about social and environmental well-being (Khalid et al., 2012): organizations started to include socially and environmentally relevant information in their annual reports. Later on, accounting for the environment became so relevant that enterprises have been not only expected but also required, in some cases, to disclose information on their environmental programs, decisions and objectives, as well as on their expenditures for pursuing these policies (UNCTD, 1997). As a response, enterprises began to communicate with their stakeholders through channels such as financial statements and annual reports, advertising and websites.

However, if CSR is considered as the outcome of a sense of accountability toward stakeholders, accompanied by a genuine interest of the company in providing information transparency, then the reporting practices need to change (Gray and Herremans, 2012). Relevant data about social and environmental issues cannot be embedded in annual reports anymore, but become part of stand-alone reports, which in the years have gone under several names, from Environmental Reports to Sustainability Reports.

1.1.3 The first steps toward the Sustainability Report

The former discussion highlights some weaknesses and limitations of the annual report. If, on one side, it appears to be a valuable instrument for investors and other users because it allows them to make economic decisions, on the other side it does not show the full picture of the company and cannot fully address social responsibility. In addition, it should also be considered that the role and value of a company's intangibles (competencies, brands, licenses, reputation) is increasing, as well as the role of the business model and the international strategies. Information about those aspects is not included in annual reports, but it becomes fundamental for the evaluation of an organization's economic performance. Annual reports do provide information, but the information provided is not exhaustive.

In order to make annual reports more informative and transparent, several initiatives have been carried out, both at a European and international level. At a European level, one of the first contributions came from the European Commission, which published in 2001 the Recommendation on the recognition, measurement and disclosure of environmental issues (EC, 2001). In the same year, the "Green Paper", an instrument aimed at promoting a common framework for Corporate Social Responsibility, was released (Commission of the European Communities, 2001). At a more international level it is necessary to mention the first version of the Global Reporting Initiative (GRI) Standards, whose release occurred in 2000. In Italy, an important contribution came from the G.B.S. Association, a study group that in 1998 started to work on the definition of sustainability report's reporting principles.

Recommendation (2001/453/EC) on the recognition, measurement and disclosure of environmental issues in the annual accounts and annual reports of companies: it represents a first attempt of the European Union to make the annual report of an organization more informative. In a context characterized by the lack of harmonized rules and norms regulating how organizations should deal with environmental issues, the European Union aims at providing annual report's users with meaningful and comparable information. This is particularly relevant because, even if organizations do disclose environment-related information, that might become worthless due to the absence of a common and recognized set of disclosures including necessary definitions and concepts (EC, 2001). Since, at the time of the Recommendation, many organizations already used to draft stand-alone environmental reports in addition to annual reports, an additional aim of the European Recommendation was to make the two different kinds of report more coherent, consistent, homogenous and harmonized. The Recommendation is structured in four sections, which respectively deal with:

- **SCOPE.** The boundaries of the Recommendation are defined, specifying that it is limited to annual reports of companies with regard to environmental issues and that it does not take into account stand-alone special-purpose reports (e.g. environmental reports);
- **DEFINITIONS.** The European Union is concerned about providing definitions of what is intended in the Recommendation for “environment”, “environmental expenditures” and environment-related “costs”;
- **RECOGNITION AND MEASUREMENT.** The section deals with aspects such as the recognition of environmental liabilities, the capitalization of environmental expenditure, the asset impairment, the measurement of environmental liabilities and the discounting of long-term environmental liabilities;
- **DISCLOSURES.** Disclosures should be included either in the annual and consolidated annual report, in the balance sheet of the organization or in the notes to the annual and consolidated accounts in relation to their nature. Only environmental issues that are material to the financial performance or the financial position of the reporting entity should be disclosed.

Green Paper: Promoting a European Framework for Corporate Social Responsibility. A second initiative at a European level is the release of the Green Paper by the European Commission in year 2001. The aim of the Paper is to raise awareness about CSR practices, which can be considered as a positive instrument to achieve the European strategic goal that has been set at the Lisbon Council in year 2000. The strategic goal at hand is for Europe “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (EP, 2000).

The Green Paper provides the first definition of CSR, intended as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European Communities, 2001). Therefore, CSR is not something added to the fundamental operations of the business, but it is an element strictly connected to the enterprise’s management, business model, strategy, governance, policies and decision-making processes.

The Green Paper promotes quality and coherence of CSR practices, through the development of principles, approaches and tools. It also promotes and supports best practices and innovative

ideas by ensuring their effectiveness and credibility through cost-effective evaluation and independent verification. While claiming the necessity of a better knowledge of CSR and its impact on the economic performance of the business, the Paper further distinguishes between two dimensions of CSR:

- the internal dimension, which relates to the impact of CSR onto the internal environment of the company and involves human resources management (HRM), health and safety at work, adaptation to change, management of environmental impacts and natural resources;
- the external dimension, which relates to the organization's responsibilities toward external stakeholders, such as suppliers, clients, business partners and local communities. It entails a consideration of human rights and global environmental concerns.

In the last section of the Paper, the European Commission calls for collaboration: public authorities are asked to cooperate with small and medium enterprises as well as with multinational companies in order to develop a new framework for the promotion of CSR.

The Global Reporting Initiative (GRI). The GRI is an international organization which helps businesses and governments understand the critical importance of sustainability issues by providing standards for sustainability reporting and disclosure. The purpose of GRI can be defined by looking at its official mission statement: the organization aims to “empower decisions that create social, environmental and economic benefits for everyone” (GRI website).

The GRI is an independent organization which was founded in Boston in 1997 by the CERES (the Coalition for Environmentally Responsible Economies), the Tellus Institute (a not-for-profit organization promoting an idea of society based on equality, welfare and sustainability) and the UNEP (the United Nations Environment Programme). It acted as a pioneer in sustainability reporting and currently provides the most widely used standards, allowing organizations and their stakeholders to make better decisions on the base of more informative reports.

In year 2000 the GRI released the first version of its reporting Guidelines, which represented the very first international framework for sustainability reporting. Its aim was two-fold: on one side it was intended to facilitate communication with stakeholders about organizations' sustainability performance, on the other side it was intended to drive organizations toward a

more sustainable behavior. By adopting a multi-stakeholder approach, the GRI reporting guidelines offered a standard format of structure and content that organizations could refer to. The provided standard ensured comparability among organizations and facilitated the process of sustainability reporting.

The GBS: Gruppo per il Bilancio Sociale. In the Italian environment, the research initiative of the GBS Association was born in occasion of a seminary about CSR in 1997. A year later, the GBS met as a study group with the scope of defining the principles to be observed in sustainability reporting: although the principles followed soon in 2001 and were presented in Rome at the CNEL, they became available to the public only in 2007. While the GRI was acting as a pioneer in the global environment, the GBS was presenting the sole document that was recognized and shared by scholars in Italy at the time. The document was soon taken as a scientific reference point by organizations, professionals and auditing firms: ABI, Associazione Bancaria Italiana, was the first organization that referred to the GBS principles as a model for its credit sector Sustainability Report (GBS website).

The document was structured in two main sections and a third one which served as appendix (GBS, 2001). While the first section displayed the principles regulating sustainability reporting, the second section illustrated the parts in which the report should be structured. The research performed by the GBS has to be inserted in a specific context: the evolution of the role of organizations in Italy was evolving and that brought to the realization that the social dimension had to be taken into account and integrated with economic and financial dimensions. Organizations needed to adopt a more extensive, inclusive and transparent communication strategy, able to satisfy a two-fold request: providing information about the economic and competitive results, providing information about the social impact generated by the business activities. The sustainability report already existed in this scenario and it captured the interest of literature, however not many experimentations followed and those who followed displayed a wide heterogeneity in contents and structure.

1.2 The Sustainability Report

After having assessed in the previous paragraphs the limitations of the annual report in providing stakeholders with complete information about environmental and social issues, it appears evident that another instrument is needed for accomplishing that objective. As previously underlined, several initiatives have been carried out starting from the late '90s at European and international levels with the scope to promote social responsibility practices: the stand-alone sustainability report takes shape right from those initiatives.

A sustainability report includes non-financial information and provides markets with disclosures on social and environmental issues as well as governance matters. The quality of the report is a critical success factor since it affects accountability and the extent at which stakeholders trust the organization. A report's quality can be measured with reference to the European provision on mandatory non-financial disclosure (Directive 2014/95/EU). The Directive sets the rules for non-financial and diversity information by large companies, which are required to include non-financial statements in their annual reports from year 2018 onwards. The European Directive is implemented in the Italian legislation by the Legislative Decree 254/2016.

The present section explores the extent at which the sustainability report contributes to improve an organization's accountability and legitimacy toward society and it explains the reasons why (and the circumstances in which) the document is strategically relevant. It deals with the importance of standards and provides insight into an increasingly utilized practice in the business world, which aims at combining financial and non-financial performance into one single report, called "Integrated Report".

1.2.1 Different concepts of Sustainability Report

The GRI refers to the sustainability report as "a report published by a company or organization about the economic, environmental and social impacts caused by its everyday activities. A sustainability report also presents the organization's values and governance model, and demonstrates the link between its strategy and its commitment to a sustainable global economy" (GRI website). This definition incorporates the two-fold purpose of the reporting document. On one side, the report aims at providing information about the impacts generated by the operating activities of an organization on three different, yet interrelated, areas. On the other side, the report aims at presenting the organization in terms of its fundamental values and governance

structure: this shall serve as starting point to develop the relationship between the organization's strategy and its commitment in pursuing sustainable objectives.

The specific features of the report enable the organization to engage with its stakeholders in a meaningful way: by encouraging dialogue and information sharing, the report allows the organization to bond with its stakeholders and to establish a long-term oriented relationship. Legitimacy is acquired if the organization successfully shows its ability to honor the commitments made to the society and to increase its reputation by providing evidence on where the resources come from, how they are employed, what results they lead to and which kind of investments are undertaken.

Within the corporate reporting scenario, the sustainability report is a relatively recent phenomenon that can take different shapes according to the nature of the reporting organization. CSR is a concept that concerns all kind of organizations, but takes different meanings depending on the sector in which the organization operates: it is intuitive that an industrial enterprise and a credit institution give different interpretations to CSR and adopt different practices. For the purposes of analysis, a distinction among organizations belonging to public, private and not-for-profit sectors is proposed.

Although sustainability reporting practices are more common in the private sector, public organizations are showing an increasing commitment toward society's well-being, with the single citizen becoming the most important stakeholder. Being a citizen does not mean being a passive recipient of a public organization's policies anymore, but it means actively participating in the organization's decisions. Following this perspective, public organizations adopt a variety of instruments to engage their stakeholders in order to satisfy their needs and to create value for the entire collectivity (Cassone and Zaccarella, 2009).

Within the private sector the sustainability report appears to be more common and is adopted by organizations as an instrument to communicate social responsibility and increase social accountability. It differs from the one of public organizations primarily because the economic dimension is still very relevant, since it constitutes the base for the economic results' representation. Moreover, the role of the report itself is different in public and private organizations. If in the private sector it serves as an instrument to provide additional and complementary information to what is disclosed in the annual report, in the public sector it represents an instrument through which the original reason-for-being of the organization is explored.

Within the nonprofit sector, the sustainability report acquires different specificities, given the transparency requirements that entities belonging to the sector must comply with. Not-for-profit entities are characterized by the existence of ethical, motivational and cultural principles that guide their business activities and face a social responsibility toward human and financial capital providers. Given that nonprofit organizations interact with a wider system of stakeholders, are subject to specific provisions regulating the distribution of value and have a responsibility toward capital providers due to the utilization of not-owned resources, the sustainability reporting process takes on distinctive elements. Provided that economic profit is not their ultimate aim and that resources are employed to achieve socially-relevant objectives, nonprofit entities adopt sustainability reporting in order to increase their legitimacy in the eyes of all those individuals and groups that help the organization achieve its goals. The table below (Table 2) shows the main differences among public, private and nonprofit organizations in relation to three areas of analysis.

		SECTOR		
		<i>Public</i>	<i>Private</i>	<i>Nonprofit</i>
FOCUS AREAS	<i>Economic-financial dimension in the sustainability report</i>	It is of secondary importance, since it is not fully representative in the organization's performance evaluation.	It is highly relevant, since it constitutes the base for economic results' representation.	It is of secondary importance, given that profit maximization is not the ultimate aim.
	<i>Sustainability report's role</i>	To explore the original reason-for-being of the organization.	To provide complementary information to annual report's disclosures.	To communicate and highlight the activities carried out to generate social utility.
	<i>Reporting object</i>	It coincides with the organization's mission. The process bringing to the interpretation and filling of stakeholders' needs is reported.	Social and environmental impacts of the organization are highlighted and reported.	It coincides with the organization's mission, considered as the coherence between the activities of the organization and the reason for its constitution.

Table 2: Differences among public, private and nonprofit organizations (personal elaboration)

1.2.2 Accountability

In this subsection, the concept of Accountability is going to be further explored, with particular reference to the context of sustainability. In the last decades, researchers, policy makers and the public opinion have increasingly asked organizations to engage in socially responsible behaviors and, as an answer, sustainability reporting practices have become more common in the business world. In this context, accountability plays a key role in improving market transparency and in establishing and strengthening trust between firms and stakeholders.

Moving from the concept of accountability, which can be considered as an organization's responsibility to provide reliable and complete information to stakeholders, it can be argued that annual reports and sustainability reports display two different levels of accountability. Annual reports represent an organization's accountability in economic and financial terms, while sustainability reports represent accountability in social-environmental terms. Annual reports are only marginally dealing with aspects which are not economic or financial related, that is why the so-called "social accountability" is a peculiar element of sustainability reporting.

Social and environmental accountability derives from economic accountability and integrates it. Data and information included in sustainability reports integrate what has already been displayed in annual reports, so much so that the computation of the value-added (that represents the value generated and distributed to stakeholders) in the sustainability report derives from the income statement contained in the annual report. Although the two Reports maintain their independence from one another, information included in the reports is strictly connected. The content of the reports represents two sides of the same coin: the reports photograph the same business entity from two different but interrelated points of view. Therefore, data in the reports need to be coherent and one report might be instrumental to the other one.

If accountability in annual reports lies on the neutral representation of data and information, accountability in sustainability reports is respected by providing clear and reliable answers to the information needs of all the stakeholders. Applying the neutrality principle to sustainability reports is far more complex, because subjectivity plays an important role in presenting information and the incentive to disclose only the positive externalities of a firm's project or policy is high (Rusconi, 2002).

1.2.3 Strategic relevance and responsibility

One can argue whether the sustainability report has a strategic relevance for an organization in the current business scenario. On the one hand, CSR practices might play a role in increasing social accountability: a firm might benefit from the release of a sustainability report because its social reputation increases. Also, an increased social reputation might help the same firm increase its revenues. On the other hand, CSR policies could also have a negative impact on reputation because, when a firm embeds the concept of CSR in its operations, it becomes bound to share shortcomings of its products and/or processes to the market. By sharing them, a firm becomes vulnerable and its reputation in the market might drop with a consequent loss of its competitive position.

According to Hopwood (see Michelon et al., 2015), an organization might decide to adopt CSR practices and engage in CSR initiatives to build a new and a more legitimate image, to reduce the number of questions asked while maintaining a certain level of confidentiality. In this way, it is likely that CSR disclosures just allow the organization to protect itself from external pressure, by affecting in a positive way stakeholders' perception. They do not allow it to improve the knowledge of the objectives, activities, policies and social impacts. In this context, the sustainability report is surely a strategically relevant instrument, but its relevance is limited to achieve a gain in terms of external image and reputation.

In contrast, an organization might decide to be involved in CSR practices because it is truly interested in communicating its effective commitment to social and environmental causes and seeks to report on the relative issues, challenges and achievements. It considers social responsibility as linked to internal management processes in an effective and integrated way. In such a context, disclosures are informative and able to satisfy both internal and external stakeholders' information needs. They do allow the understanding of the company's activities and objectives and the sustainability report becomes an instrument with internal and external strategic relevance. The report is not just a marketing tool for improving the company's image in the eyes of the stakeholders, but it becomes an instrument to promote sustainability and to keep track of all the results achieved and the future challenges to overcome.

With the aim of exploring the reasons pushing companies to adopt sustainability practices, the literature has dealt with the two different approaches to CSR described above and has respectively defined them as "symbolic" and "substantive approaches". Under the symbolic approach, an organization carries out actions to provide an answer to external claims, with the

ultimate goal to “influence societal perceptions of the company by using more visual actions in order to obtain a benefit” (Berrone et al., 2009). Under the substantive approach, an organization puts into practice changes in actions and policies that could generate positive impacts on its environmental performance and legitimacy. The second approach is typical of those firms which are truly committed while the first one is generally adopted by the so-called “greenwashers”⁴. Greenwashers provide a communication that intentionally misleads people into perceiving in a positive manner a company’s products, processes and environmental initiatives.

There is no doubt that sustainability report has a strategic relevance, which can be only external (in case the reporting organization aims at strengthening its image, sometimes adopting greenwashing practices), or both internal and external (in case the reporting organization is effectively committed into social and environmental causes). Whatever the strategic use, an organization should not forget about the ultimate purpose of the report, that is to provide on a regular basis a structured, clear, accurate and complete picture of an organization’s performance and the generated results, expressed in terms which are both quantitative and qualitative.

1.2.4 Reporting Standards

In order to fulfill its social responsibility, an organization might choose to report quantitative and qualitative information in accordance with some standards, developed at a national or international level. Both the EU Directive on non-financial reporting⁵ and the Italian Legislative Decree on its implementation⁶ do not make any reference to content or indicators to be included in the report. They rather let organizations free to comply with one or more of the several existing standards or, as an alternative, to independently choose which kind of information to provide. It is acknowledged that, in the wide context of sustainability, standards allow organizations:

- to measure their social and environmental impact and make it publicly available, addressing all the stakeholders;

⁴ According to the Cambridge Dictionary, the term greenwashing is defined as: “*an attempt to make people believe that your company is doing more to protect the environment than it really is*”.

⁵ Directive 2014/95/EU

⁶ Legislative Decree December 30, 2016, n. 254

- to increase their transparency with reference to risks and opportunities that their actions generate;
- to be accurately compared to other companies, especially if these are located in different countries.

Companies adopt the reporting standards that better fit their communication objectives and allow them to express in an effective way the activities carried out. Several accounting frameworks dedicated to CSR and sustainability issues have been developed, with some initiatives being more successful than other ones: in the Italian scenario, the GRI and the GBS Standards are the most popular ones and are going to be dealt with in the following lines. Even if they present a very similar structure, they do not serve as substitutes of each other, but rather as complements: companies often rely on both of them to elaborate their reports, recognizing the ability of the two types of standards to give representation of the specificities of the sector in which they operate. Nevertheless, it is necessary to mention that other national and global standards exist, such as the United Nations (UN) Global Compact and the United Nations Principles for Responsible Investment (UNPRI).

The GRI Standards

The GRI Standards are the first global standards for sustainability reporting and represent the best practice for reporting on economic, social and environmental issues. They aim at presenting a common language for non-financial information disclosure. First launched in 2000, the Framework proposed by the GRI is now widely adopted by many kinds of organizations, such as small and medium enterprises, multinational companies, governments, NGOs. The latest version of the GRI Framework dates back to 2016 and replaces the GRI G4 Guidelines published in 2013, updating them both in formal and in substantial terms. Even if the Standards do not define the contents to be included in the report, giving the single organization considerable leeway, they do provide an indication of the suggested approach for the determination of the aspects to address. In particular, two categories of reporting principles are stressed. Firstly, the Standards point out the necessity to comply with the “Reporting Principles for defining report content”⁷: they help the organization decide which content has to be included in the report⁷. Among these ones, the materiality principle is of great importance, since it requires the reporting entity to disclose only those topics that “reflect the reporting

⁷ GRI Standards, 2016. GRI 101: FOUNDATION, page 7.

organization’s significant economic, environmental, and social impacts” or “substantively influence the assessments and decisions of stakeholders” (GRI Standards, 2016)⁸. Secondly, the Standards claim the necessity to also comply with the “Reporting Principles for defining report quality”: they ensure the report’s high-quality, which is a critical aspect for enabling stakeholders to make a reasonable assessment of the organization. The table below (Table 3) highlights the four content-related and the six quality-related principles.

Reporting Principles for defining report content	Reporting Principles for defining report quality
<ul style="list-style-type: none"> • Stakeholder Inclusiveness • Sustainability Context • Materiality • Completeness 	<ul style="list-style-type: none"> • Accuracy • Balance • Clarity • Comparability • Reliability • Timeliness

Table 3: Reporting principles for defining report content and quality (Source: GRI Standards, GRI 101 Foundation. Page 7)

Reporting principles are fundamental because they allow the organization to decide whether a certain topic has to be included or not and they ensure the quality of the report. Their definition is followed by a section dealing with the so-called “General Disclosures”, which lists the required disclosures regarding the organization’s profile, strategy, ethics and integrity, governance, stakeholder engagement initiatives, reporting practices. Topic-specific sets of standards complete the GRI Framework: they include recommendations on how to report information about the organization’s economic, environmental and social impact. At the same time, they provide performance indicators which help the reporting entity in addressing the specific disclosure topic in an effective and meaningful way.

The GBS Standards

In Italy, the GBS (Gruppo di studio per il Bilancio Sociale) has played a significant role in sustainability reporting practices since 1997. Its most recent reporting guidelines date back to 2013 and represent an evolution of the previous ones. For instance, the increasing number of sustainability reports (with a consequent evolution of the formats and the contents), the increasing awareness of companies about sustainability issues and the new legal provisions, brought to the necessity to update reporting guidelines for a transparent representation of

⁸ GRI Standards, 2016. GRI 101: FOUNDATION, page 10.

environmental and social issues. Differently from the GRI, the GBS Standards not only define the reporting principles and the reporting process to follow, but provide also an indication of the structure and the content of the document. Therefore, organizations do not need to face the overwhelming task to identify the topics to disclose, because the GBS guidelines already suggest the direction to follow to produce a clear and transparent report.

The GBS guidelines are structured in two sections, the first one about the reporting principles and the second one about the structure and content of the sustainability report. In the first section the GBS lists seventeen principles (which make reference to ethical aspects, legal norms and accounting profession practices) regulating the preparation of the report in order to ensure its quality. The second section of the guidelines describes what a sustainability report is composed of:

- organizational identity and context. The social and environmental context in which the organization operates is described, together with the characteristics of the organization's governance structure, its mission, its strategy and its fundamental values;
- accounting data reclassification and Added-value computation. This section links sustainability and annual reports and gives evidence of the economic impact that the organization has on its stakeholders;
- social and environmental report. It includes the quantitative and qualitative description of the results achieved and the impacts on the stakeholders, considering social and environmental initiatives;
- supplementary sections;
- appendix.

It can be observed that the GBS defines in a complete manner the structure and the content of the sustainability report through Standards that every organization, regardless its size, operating sector or legal form, can adopt. Providing information on the structure and content of the report might seem a rigid approach, that fails in taking into account the specificities of the single entities, but what the GBS does, actually, is stressing the fundamental elements to include in the report. Organizations are free to add information and other data they consider to be relevant for stakeholders' assessment.

1.2.5 The Integrated Report: development and future challenges

The corporate reporting landscape does not end at a point called “sustainability report”. Starting from the late 1990s, it has evolved from financial reporting to sustainability reporting up to integrated reporting (IMA and ACCA, 2016). This evolution witnesses an attempt to further integrate financial accounting with social accounting and the integrated report represents the instrument through which this kind of integration is actually taking place. Integrated reporting was elaborated in order to provide an answer to criticism that stand-alone financial and sustainability reports do not represent in an effective manner a firm’s long-term value-creation process. The first integrated reports appeared in 2002 but the practice was not well-known at the time. From 2002 to 2010 some organizations recognized an internal need to adopt integrated reports as useful instruments to better understand and support sustainability: those organizations are called “the early adopters”. From 2010 integrated reporting started to take hold and, pushed by an external demand, consolidated from year 2013 onwards (Gibassier et al., 2019).

Todd (2005) defines the integrated report as a reporting document that “meets the needs of both statutory financial reporting and sustainability reporting [...]. This will usually mean one annual report containing sustainability performance information and financial statements.” One more recent definition is provided by the IIRC (International Integrated Reporting Council), according to whom the integrated report is defined as “a concise communication about how an organization’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term” (IIRC, 2013). Therefore, the IIRC considers the reporting document as a communication tool which shall provide concise, yet complete, information about how an organization strategy in all of its forms is linked to value creation in the external environment (see Figure 1).

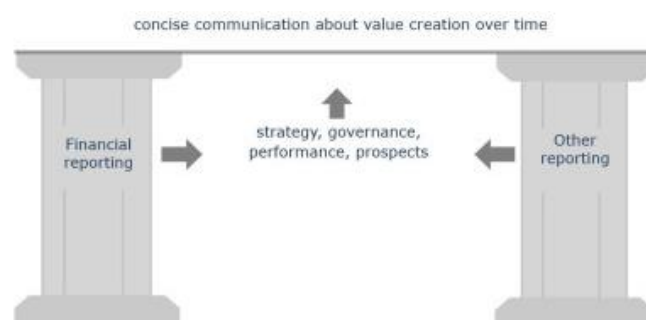


Figure 1: The IR as from the IIRC (Source: IIRC, website⁹)

⁹ Available at: <https://integratedreporting.org/what-the-tool-for-better-reporting/>

Integrated Report's benefits and challenges

In dealing with the benefits of the integrated report, Todd (2005) argues that the main advantages that an organization can get are likely to be intangible and internal. There is empirical evidence that, from an organizational perspective, integrated reports:

- represent a motivational challenge for staff;
- help understanding the relationship between sustainability and business strategy;
- improve consistency in delivering messages and information to stakeholders;
- improve decision making processes;
- enhance reputation (under some circumstances).

In addition to that, it can be argued that integrated reporting improves sustainability, stimulates holistic thinking, allows to embrace a stakeholder-inclusive approach and encourages long-term thinking (IMA and ACCA, 2015). It improves sustainability because it forces the organization to think about ways to make its operational practices more sustainable (thus allowing the organization to abandon a reactive approach while adopting a proactive one toward sustainability). It stimulates holistic thinking since it asks for considering the long-term value creation process as determined by the broad base of capitals (not only financial, but also social, human, natural etc.). It allows to embrace a stakeholder-inclusive approach, since it is an instrument to meet stakeholder expectations and to engage them meaningfully. It encourages long-term thinking because, on the basis of its forward-looking nature, aims at envisioning the future of the company, which both organizations and investors are increasingly interested in.

Together with the benefits that integrated reporting brings out, it is necessary to list also the related challenges. Considering that it is a process involving an organizational change, integrated reporting requires a strong commitment of the executive management to adopt a comprehensive approach toward corporate reporting. According to Todd (2005) significant challenges that emerge are:

- senior management support. A support from the top appears to be a factor that influences the success of the integrated reporting initiative. Its absence could represent a significant barrier;

- amount of information to manage in little time. Collecting data and structuring them into information takes time. Meeting the deadlines represents a challenge for many organizations.
- size and content of the report. Integration of information does not simply mean adding sustainability report's data to annual report's data, otherwise the output would be too large in size and readers would have issues in searching for relevant information;
- merging financial and sustainability stories in a meaningful way. Integrating information and data requires the development of a new set of skills that allows to display in a coherent way financial and sustainability aspects and to illustrate such aspects in a way that readers can find compelling and appealing.

In addition, the external context may represent a challenge in undertaking the integrated reporting journey. The legal and economic environment in which the organization operates could raise significant barriers: if the environment is particularly litigious then organizations might not feel at ease in complying with the transparency principle, a pillar of integrated reporting, because if they disclosed information, then competitors would have the incentive to use that against them. In the same way, an economic crisis or downturn might force the organization to allocate its limited resources to priority activities, while leaving behind environmental and social issues (IMA and ACCA, 2015).

The International IR Framework

The International Integrated Reporting Council (IIRC) has attempted to institutionalize reporting practices by developing an international framework for integrated reporting, with the aim to provide an instrument for communicating an organization's ability to create value. The IR Framework of 2013 has been prepared under the long-term vision of the IIRC, focused on embedding integrated thinking into mainstream business practices both in the public and private sectors¹⁰, and it is aimed at:

- enabling a more efficient allocation of capital by capital providers, as a result of a higher information quality available to them;

¹⁰ IIRC, 2013. Framework: About Integrated Reporting, page 2.

- promoting cohesion and efficiency in organizations' approach to corporate reporting;
- enhancing management and accountability of the variety of capitals (financial, social, human, natural etc.) which organizations rely on and enabling the understanding of their interdependencies;
- supporting integrated thinking, decision making and actions that generate value in the short, medium and long term.

The overall purpose of the IR Framework is to highlight the way in which an organization creates value, without setting benchmarks defining how good its business strategy is or how satisfactory its performance has been. The target audience is clearly defined: The Framework addresses for-profit organizations of any size operating in the private sector, but it can be properly adapted by (and applied to) public and not-for-profit organizations as well. It benefits all the stakeholders (from employees to suppliers, business partners and local communities) interested in understanding a business' ability to generate value.

The approach adopted by the Framework is based on principles, which is opposed to an approach based on rules. A similar perspective allows, on one side, to take into account the different specifications of organizations (since the Framework addresses large and small, national and international organizations, operating in different sectors) and, on the other one, to ensure comparability among them, with the purpose to satisfy the need of stakeholders to obtain relevant information. However, a principle-based approach arises some critical issues. For example, the framework does not provide any indication of KPIs (Key Performance Indicators) that enable to measure in a quantitative way the value-creating activities nor of measurement methods. Each organization has to exercise judgement, taking into account the specifications of the business, in deciding which aspects are material (and therefore, need to be disclosed) and the most appropriate way in which they are disclosed¹¹.

¹¹ IIRC, 2013. Framework: paragraph 1.10, page 7

CHAPTER 2

THE THIRD SECTOR AND THE ODCEC OF PADUA

While the first chapter has explored the concepts of Corporate Social Responsibility and sustainability by only mentioning the Third Sector (or nonprofit sector), the second chapter moves from the consideration that Entities of the Third Sector (ETS in short) are playing an increasingly important role in the Italian economy. The third sector encompasses a variety of nonprofit entities, regulated by the recent Code of the Third Sector (Legislative Decree No. 117, 3 July 2017). The reform of 2016¹² that gives birth to the Code introduces significant changes in the way the third sector is disciplined and, in particular, provides principles aimed at increasing its harmonization and regulation. Starting from this reform, the chapter explores the reality of ETS, defines its peculiar features and its ultimate aims. In such context, the sustainability report acquires new specificities, highlighted from a legal point of view by two Ministerial Decrees issued in year 2019. The first Decree (Decree 4 July 2019)¹³ defines the guidelines that must be followed by ETS in the preparation of the report, while the second one (Decree 23 July 2019)¹⁴ provides guidelines for measuring the social impact that ETS' activities generate. Taking both of them into account, the chapter discusses about guidelines, reporting principles, reporting contents and social impact evaluation. This preliminary overview of the third sector is of fundamental importance because it allows to introduce the professional Body “Ordine dei Dottori Commercialisti ed Esperti Contabili - ODCEC” of Padua and to explain its relationship with the third sector. As it will be made clear later in the discussion, the ODCEC can be comparable to a third sector entity on account of its ideal scope.

¹² Law June 6, 2016, 106: “*Delega al Governo per la riforma del Terzo settore, dell'impresa sociale e per la disciplina del servizio civile universale*”.

¹³ Ministerial Decree July 4, 2019: “*Adozione delle Linee guida per la redazione del bilancio sociale degli enti del Terzo settore*”

¹⁴ Ministerial Decree July 23, 2019: “*Linee guida per la realizzazione di sistemi di valutazione dell'impatto sociale delle attività svolte dagli enti del Terzo settore*”

2.1 The reality of the Third sector

Historically, nonprofit entities originate in the moment in which some individuals, groups or organizations recognize that other individuals have a need that has to be satisfied. They find their origin in the concept of “Gift”, a concept that takes on an important value within the society, since it allows to build ties among individuals. Some people, inspired by a spirit of solidarity and generosity, care about others’ needs and are truly committed to satisfy them, since they have already fulfilled those needs for themselves and are ready to help others. Nonprofit entities originate with the ultimate objective to fulfill an ideal scope, different from profit-making. The ideal scope, which represents the heart of the third sector, coincides with civic or solidarity-related aims or social utility production. Thus, the third sector (or nonprofit sector) comprehends all those entities that do something good for someone else. It comprehends all those entities that are not “State” nor “Market”.

In 2017 nonprofit entities in Italy amounted to 350,492, recording an increase of 2.1% with respect to the previous year and employed 844,775 workers, recording an increase of 3.9% (Istat, 2019). What is particularly astonishing is that the third sector is growing more rapidly than the sector of market-oriented enterprises. The relevance of nonprofit entities within the Italian productive context is consequently growing, considering that the number of nonprofit organizations increased from 5.8% in 2001 to 8.0% in 2017, with respect to the total number of enterprises in Italy (Istat, 2019). Since the third sector is becoming more and more relevant within the Italian productive system, it is worth to look at the legal provisions regulating it, its main features and what it differentiates it from a public or market-oriented enterprise.

2.1.1 ETS according to the Italian legislation

Given that the nonprofit sector has increased its relevance in the years, the Italian legislation proceeded to regulate it by providing a legal definition with the Law 6 June 2016, No. 106, which delegates the Government to reform the third sector. The Law, defined by many as often vague and principle-based (Movimento Forense Padova, 2019), gave birth to four Legislative Decrees, of which the Code of the Third Sector (Legislative Decree No. 117, 3 July 2017) represents the largest one. The Code is composed of 104 articles aiming at reorganizing, harmonizing and simplifying the third sector by providing for the first time a common definition of “Entities of the Third Sector – ETS”. The Legislator’s objective was to group together a plurality of entities with similar features and to call them ETS. According to the Code, ETS comprehend:

- voluntary organizations;
- social-promotion associations;
- philanthropic entities;
- association networks;
- mutual benefit societies;
- social enterprises.

In addition to these ones, which according to their characteristics can be qualified as de-jure ETS, other entities become part of the ETS category: they are those private nonprofit entities which carry out activities of general interest and registered in the “Registro Unico Nazionale del Terzo Settore (RUNTS)”. In general, two aspects mostly characterize the entities belonging to the third sector:

- the nonprofit dimension, meaning that these organizations do not operate under a profit-making logic;
- the legal prohibition to distribute profits, directly and indirectly.

Moreover, what is important to highlight is the fact that the Code of the Third Sector cannot be qualified as a complete work because a series of Ministerial Decrees are expected to be issued in order for the Code to be fully implemented. In particular, 24 implementing Decrees are expected, but currently, after more than two years from the Code’s entry into force, only 7 have been issued (Movimento Forense Padova, 2019).

Despite it is still a work in progress, the reform of the third sector represents a step forward in the sector’s reorganization and puts an emphasis on its reason-for-being, that is the sense of solidarity. This sense of solidarity is not expressed only in terms of “gift” or “volunteering” as it was in the past, but also in terms of “work” and “enterprise”, stressing the economic relevance that the third sector has or should have in the Italian productive system.

2.1.2 Nonprofit entities’ features

Nonprofit entities share some distinctive features that make them different from public organizations and market-oriented enterprises.

Firstly, they are usually characterized by a low capitalization and a significant short-term debt, which, if also the prohibition to distribute profits is taken into account, make nonprofit entities economically vulnerable and weak. This allows them to have access only to a limited amount of financial resources, that is why they usually receive public and private donations. However, this situation should not be surprising because it is perfectly in line with the main features of the third sector: the sense of solidarity and the central role of the individual and not of the financial capital. Secondly, the operating actions of ETS are not driven by the profit-making logic or the competitive dynamics, but they are driven by the entity's mission, declined in the achievement of a social objective. A variety of ethical principles and values drive the ordinary activities of ETS and allow them to produce social utility. Thirdly, nonprofit entities' stakeholders are peculiar and can be identified in those who provide resources and those who benefit from them: volunteers, donors and those individuals who benefit from the entity's social services are the most common ones, since it is not proper to speak about owners and investors in the not-for-profit context. The figure below (Figure 2) summarizes the main features of the ETS.

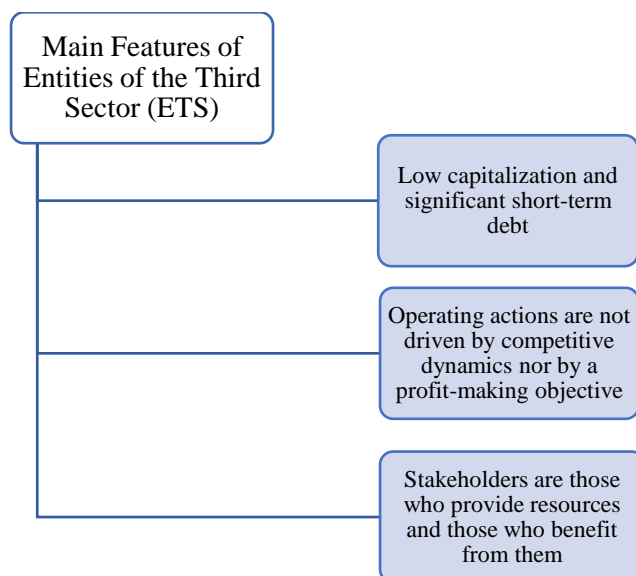


Figure 2: The main features of ETS (personal elaboration)

In this scenario, it appears clear that trust gained from the stakeholders is a fundamental element to allow the nonprofit entity to pursue and achieve its social objectives. In order to build and maintain stakeholders' trust, nonprofit entities make use of instruments to report on their activities, for example annual reports. However, despite enabling the organization to highlight its ability to manage scarce resources, annual reports do not provide complete information.

They fail in reporting the organization's activities effectiveness because they do not give any representation of the organization's ability to pursue its social objectives. Moreover, operating profit, which is a valuable efficiency indicator for market-oriented enterprises, loses informational value in the nonprofit scenario. Because of that, annual reports alone are not enough to make a nonprofit entity socially accountable to its variety of stakeholders and to gain trust from them.

Social accountability can be achieved in the third sector through instruments like the mission report and the sustainability report. The mission report¹⁵ appears to be not only a communication tool, but rather an instrument of fundamental importance for the entity's identity affirmation and governance, which enables to monitor and to strengthen the relationships of the entity with its internal and external stakeholders (Ecchia, Zarri, 2004). It explores the way in which the entity has fulfilled the commitments declared in the statute and strengthens its identity, allowing it to build or maintain a competitive advantage with respect to for-profit entities operating in the same industry.

The sustainability report of ETS shares with the mission report the feature of presenting non-financial information, but differs because it addresses a wider portion of stakeholders. It enlarges the mission report's horizon by providing data and information on responsibilities, commitments, behaviors and results of the actions carried out by the entity (Bagnoli and Catalano, 2011). By representing a more complete instrument that enables the nonprofit entity to be held socially accountable to its stakeholders, the sustainability report for ETS and its features will be the subjects of analysis of the following paragraph. This is a necessary step to consider because the third chapter of this dissertation thesis, by dealing with the elaboration of a model for the sustainability report of the ODCEC ("Ordine dei Dottori Commercialisti ed Esperti Contabili") of Padua, moves from the observations, principles and legal provisions presented below.

¹⁵ We call "*Mission report*" what in Italian is called "*Bilancio di missione*".

2.2 The Sustainability Report of ETS according to the Law

The Italian Law helps third sector entities in structuring their sustainability report by providing two Ministerial Decrees, which allow the implementation of the provisions contained in the Code of the Third Sector. The Decrees deal with the definition of guidelines for the ETS' sustainability report preparation and for the social impact assessment implementation systems. The first Decree (Decree 4 July 2019), in accordance with the concepts of transparency and accountability highlighted by the Third Sector reform of 2016, serves as a benchmark for nonprofit entities willing to report on their activities and on the way in which they are carried out. The second Decree (Decree 23 July 2019) provides guidelines for measuring the social impact that ETS' activities generate. The present section deals closely with the recently issued Decrees and seeks to illustrate principles, contents and methodologies for the transparent reporting process of ETS' set of activities.

2.2.1 Reporting guidelines: Decree 4 July 2019

Overview

The Ministerial Decree 4 July 2019 is about the adoption of guidelines for the ETS' sustainability report preparation and represents a fundamental legal reference in the nonprofit context. The guidelines provided are certainly not the first document dealing with nonprofit entities' reporting practices. Among the various initiatives, in 2007 a recommendation on general principles and guidelines for sustainability reporting has been released by the "Consiglio Nazionale dei Dottori Commercialisti" and in 2011 guidelines and schemes for sustainability reporting of nonprofit organizations have been made available¹⁶. However, the re-organization of the third sector that the Reform has promoted makes the development of a common set of guidelines necessary.

The guidelines' scope is to define the reporting contents and the ways in which the report has to be drawn up. This allows not only ETS themselves to fulfill legal requirements but also their stakeholders to be informed about the entity's performance and results. For instance, the sustainability report allows to verify the extent at which internal and external stakeholders' requests are considered in the daily management of the business. It should not be ignored that the report has also an internal relevance. It benefits the organization in that it stimulates the

¹⁶ "Agenzia per il terzo settore, 2011. *Linee guida e schemi per la redazione del bilancio sociale delle organizzazioni non profit*" [online version available at: http://sitiarcheologici.lavoro.gov.it/AreaSociale/AgenziaTerzoSettore/Documents/Linee_Guida_Bilancio_organizzazioni_nonprofit.pdf]

development of sustainability practices and, by comparing objectives and effective results, enables the evaluation of the state of the art. If the achieved results are far from the expected results, then the organization might choose to re-define its managerial processes, in a more consistent way with its mission and values.

Given the significance of the report, the guidelines also provide a definition of what is intended for sustainability report: it is “an instrument reporting on the responsibilities, the behaviors and the results, in social, environmental and economic terms, of the activities carried out by an organization” (Decree 4 July 2019). The definition not only introduces the three areas of analysis on which ETS have to focus, but also underlines the concept of accountability, which, the guidelines tell, comprehends and requires the concepts of transparency (access to information regarding all the aspects of the organization) and compliance (adherence to legal provisions). The definition proposed by the Legislator implies the necessity to provide sustainability report’s readers with additional information other than economic and financial. Moreover, it implies the possibility to raise awareness about the value generated and distributed by the entity and to perform over time comparisons on the achieved results.

Besides determining the detailed purposes of the report and listing the categories of ETS legally required to prepare it, the guidelines also mention a series of principles regulating the methodological approach to follow. The ten reporting principles are:

1. Relevance;
2. Completeness;
3. Transparency;
4. Neutrality;
5. Accrual basis reporting;
6. Comparability;
7. Clarity;
8. Truthfulness and verifiability;
9. Reliability;
10. Third-party independence.

Content and structure

The guidelines list a set of content elements that all the ETS have to include in their report, whether the Law requires them to draft it or in the case it is drafted on a voluntary basis. By explicating the content elements, the Law allows for a common and reliable representation of data and information. According to the guidelines, ETS' sustainability report must include:

- the methodology adopted for sustainability reporting: utilized reporting standards and other information useful to understand the reporting process should be indicated;
- general information about the entity: general information such as name of the entity, fiscal code, legal form and registered office's address should be provided as well as the mission of the entity, its activities and its fundamental values;
- structure, governance and administration: composition and responsibilities of governance and supervising systems have to be illustrated, stakeholders (and the channels through which the entity engages them) must be mapped;
- people working for the entity: the section shall include information about people working for the entity, the training activities and data about remuneration;
- objectives and activities: the entity should give qualitative and quantitative information on the actions carried out within the areas of analysis, on the direct and indirect beneficiaries, on the activities' outputs, on the effects produced on the main stakeholders. The report should emphasize the extent at which the activities performed are coherent with the entity's mission, whether the objectives have been achieved and if there are impediments in pursuing the institutional purposes;
- economic and financial situation: the entity should provide an indication of the economic resources' nature (public or private), detailed information on fund-raising activities, notifications on critical issues arising in the managerial activity;
- additional information: the section explores environmental and other non-financial aspects such as gender equality, human rights, anti-corruption measures;
- monitoring activity by the Supervisory Body: the guidelines list a series of elements which have to be taken into account by the Supervisory Body in order for it to conduct a monitoring analysis whose results are represented in a dedicated report.

The just examined Decree serves as fundamental legal reference to understand what is intended for sustainability report in the reality of ETS, what are the report's main purposes and, most of all, what kind of information the Law requires to include. Because of the heterogeneity of the third sector, the guidelines are not there to provide a fixed and rigid scheme for entities to adhere to. They rather give entities the possibility to build a sustainability report which could fit with their size, the kind of activities being performed, their business model.

2.2.2 Social Impact measurement

In the context of sustainability, evaluating from a social point of view the results of planned actions takes on significant relevance. It means analyzing the positive and negative consequences that an organization's policies and interventions have produced on society (in broad terms) throughout the period of analysis.

This is a kind of Evaluation, intended as "providing evidence of the created value" and not as "judgment" (Zamagni et al., 2015), that in Italian goes under the expression of "VIS – Valutazione di Impatto Sociale". It can be utilized to measure the benefits for the society which derive from an action, project or program or to forecast negative consequences that might occur. It involves the active participation of stakeholders and it is aimed at contributing to the development and enhancement of the entire society, by communicating the social and cultural change process promoted by the organization. Social Impact measurement is highly significant in the context of nonprofit entities: by pursuing objectives which are different from economic profit, ETS perform activities whose impact can be better understood if evaluated in social rather than economic terms.

Since ETS are social utility producers, it is interesting to evaluate the quality and the effectiveness of their actions by looking at the social impact generated on the territory in which they operate. For instance, information and other data included in the annual and sustainability report do not really provide indications of the quality and effectiveness of an activity or project implemented by the reporting entity. If, on one side, the literature and the ministerial guidelines state the necessity to build a system of qualitative and quantitative indicators useful for performance measurement (and therefore for efficiency evaluation), on the other side, they do not provide a system to measure effectiveness.

In Italy, the Ministerial Decree 23 July 2019 on social impact measurement represents a revolution within the third sector, although the principles it contains are still coherent with the values that the third sector was originally born with. It underlines the central role of evaluation processes and of systematic assessment of the performance results for ETS, especially in the renewed scenario determined by the reform. It defines social impact measurement as “the qualitative and quantitative evaluation, on the short, medium and long term, of the carried-out activities’ effects on the target community with respect to the identified objective” (Decree 23 July 2019). The reported definition implies that, when an entity needs to measure the social impact it generates on the target community, it should build a set of qualitative and quantitative indicators capable of representing the value generated and distributed. In addition to that, entities shall focus not only on the most immediate and short-term effects, but also on the impacts in the medium and long term, by always taking as a reference a stakeholder-inclusion approach. Social impact measurement increases the legitimacy of the entity in the eyes of the stakeholders by communicating how much the entity has been effective in the process of economic and social value creation.

The guidelines provided by the Decree 23 July 2019 serve as a promoting instrument of evaluation systems and need to be looked at from an experimental point of view. With regard to the social impact measurement process, no detailed indications are provided of the metrics which can be utilized by the entity. The Legislator, considering the heterogeneity of the third sector, leaves entities the choice to use those metrics which are more appropriate for them, taking into account their activities and projects’ nature. Therefore, the single third sector entity has to identify by itself appropriate metrics, which should not be strictly economic. In any case ETS need to perform a social impact analysis by gathering both quantitative and qualitative data and considering indexes and indicators (monetary and not) coherent with their set of activities. By voluntarily giving ETS a considerable degree of autonomy in conducting social impact evaluations, the Legislator, thus providing indications of the methods (i.e. utilization of quantitative and qualitative indicators), does not make any reference to the manners or ways to conduct the analysis. ETS do not have any hint about the ways to come up with quantitative and qualitative indicators that could give representation of the social impact generation. They can discretionarily choose one or more instruments considered as the most appropriate for social impact evaluation.

The Impact Value Chain and the SROI

The impact measurement process should highlight inputs (the employed resources), outputs (goods produced and/or services offered) and, most of all, outcomes, intended as any indirect result produced by the entity's actions and any effect or change on individuals' life. In order to better understand the process leading an organization to measure the impact of its activities and the instruments it has at its disposal, the impact value chain can be considered (Figure 3):

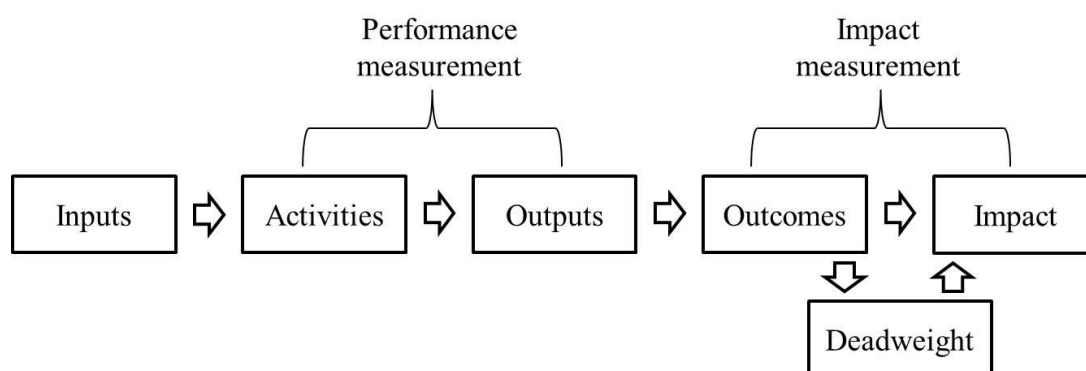


Figure 3: The Impact Value chain (Personal elaboration from Zamagni et al., 2015: “Valutare l’impatto sociale. La questione della misurazione nelle imprese sociali”)

The impact value chain represented above enables to visualize where impact measurement comes from. Firstly, the relationship between inputs and outputs allows to come up with measures of the organization's performance. In this sense, output indicators provide a measure of “the quantity (and sometimes quality) of goods and services produced by the organization and the efficiency of the production” (Zamagni et al., 2015), but do not give any indication about effectiveness. Secondly, outcome indicators provide a measure of the results planned or achieved in the medium-long term, in order to verify whether the positive results previously forecasted have been actually achieved. Thirdly, impact indicators are related to long-term sustainability and measure the quantity and quality of the effects of an organization's policy, project or intervention, by taking into account people's life development and improvement. As pointed out in Figure 3, the impact evaluation occurs by considering also the so-called “deadweight”. It means that the ex-post impact of a certain activity must be assessed not only by looking at the effective results it brought to but also by considering what could have happened if the activity was not carried out (Zamagni et al., 2015).

With the purpose to measure an organization's impact, several instruments have been elaborated, such as the Cost-Benefit Analysis (CBA), the Balanced Scorecard, the Social

Impact Assessment (SIA). In particular, the Social Return on Investment (SROI) is a popular evaluation methodology whose purpose is to translate into monetary terms the social value generated (or even destroyed) by an activity or an organization. It is an instrument that enables strategic thinking, facilitates decision-making processes and allows to meaningfully engage stakeholders. However, despite representing a useful tool for impact measurement, the SROI is based on an economic approach and this constitutes one of its main shortcomings. ETS, in particular, must carefully evaluate whether to apply the SROI technique because, by representing the social impact of their actions in monetary terms, the SROI index may reduce their values, mission and activities to the economic dimension only.

Coming back to the guidelines for social impact evaluation of Third Sector Entities, no instrument nor metrics have been mentioned, but only the fundamental principles to be taken into account. What truly matters is that social impact evaluation cannot be reduced to an economic or quantitative dimension only and this is far more understandable if the scope of ETS is considered: ETS are social utility producers and distributors and pursue objectives other than economic profit. From this point of view, instruments and metrics that enable to measure not only in economic terms the effectiveness of the entity's activities could be elaborated. This could lead to an approach which is more humanistic and psycho-social than economic, that could give representation of the way the activities of an ETS are perceived by the society, therefore of their effectiveness.

2.3 The case of the ODCEC - Ordine dei Dottori Commercialisti ed Esperti Contabili of Padua

After having considered from a mainly theoretical point of view:

- the critical importance of CSR issues for the evaluation of an organization's performance,
- the sustainability report's role in communicating an organization's commitments, activities and results in the field of sustainability,
- the peculiar features of the category of ETS, founded on values and ethical principles and pursuing socially relevant objectives
- and the recently-issued Ministerial guidelines on ETS sustainability report and social impact measurement,

the professional Body “Ordine dei Dottori Commercialisti ed Esperti Contabili - ODCEC” of Padua is going to be introduced. The next paragraphs explain the relationship of the entity with the category of the third sector and stress the relevance of its identity and mission. This preliminary overview represents a necessary step to frame the entity whose sustainability report will be the subject of the third chapter of this dissertation thesis.

The ODCEC and its relationship with the Third Sector

Going back to their roots, professional Bodies take shape from the medieval corporations, created in order to safeguard individuals belonging to the same professional category. They are born as a guarantee for the collectivity: the fact that an individual is a member of a professional Body serves as a guarantee for the quality of the services he or she provides. This is further proved if it is considered that various forms of oaths exist to become a member of a professional Body. While there is the “Hippocratic Oath” for the medical profession, lawyers engage in a solemn undertaking¹⁷.

The section 2.2.1 has underlined the different categories of entities that, according to the Law, can be included in the third sector and it is clear that professional Bodies are left out from the categories identified by the Legislator. Professional Bodies are non-economic public entities¹⁸. They are considered as public entities because their aim is to serve a public, collective interest. However, since they do not produce goods and services using economic criteria (i.e. with the aim to generate revenues that can replace the incurred costs), they are qualified as non-economic entities.

In the specific case, the ODCEC (Ordine dei Dottori Commercialisti ed Esperti Contabili) of Padua, besides serving a public interest, is a non-economic entity: its scope is not merely economic in kind, but rather ideal. It looks at economic profit not as its ultimate scope but just as an instrument to fulfill its mission, which takes shape from the identity, the ethical values and the principles on which the Body is based. Since it does not aim at generating economic profit, but pursues an ideal scope, the ODCEC of Padua can be comparable to an entity of the

¹⁷ Art. 8, L. 247/2012: “Per poter esercitare la professione, l'avvocato assume dinanzi al consiglio dell'ordine in pubblica seduta l'impegno di osservare i relativi doveri, secondo la formula: *Consapevole della dignità della professione forense e della sua funzione sociale, mi impegno ad osservare con lealtà, onore e diligenza i doveri della professione di avvocato per i fini della giustizia ed a tutela dell'assistito nelle forme e secondo i principi del nostro ordinamento.*”

¹⁸ Legislative Decree June 28, 2005, n.139, art. 6

third sector. So, even if the Code of the Third Sector does not classify it as belonging to the third sector, a professional Body like the ODCEC can be considered as an additional category of the sector if the scope of its activity is taken into account.

Identity, values and mission

The identity of the ODCEC of Padua can be expressed in terms of the activities assigned to it by the Law. Its main activities are keeping the professional Register (“Albo”) and the Trainees Register (“Registro dei Praticanti”) updated, monitoring the compliance with the professional Code of Ethics and safeguarding both citizens (by ensuring that the professional Body’s members comply with the legal requirements) and its members (with regard to disloyal actions by colleagues and third parties).

Another element characterizing the ODCEC of Padua is the social dimension, typical of any professional Body. The ODCEC helps its members in developing their professional career, it represents them, it provides them an identity, it allows them to fulfill their belonging and self-actualization needs. Finally, it encourages the development of relationships among its members, who share the same professional interests. In other words, the ODCEC stimulates and represents the sociality.

With regard to the entity’s institutional mission, the professional Code of Ethics (CNDCEC, 2019) contributes to its definition by establishing rules, values and ethical principles that need to be observed by each member during the exercise of the professional activity. In particular, the values and principles that have to be observed are:

- Public interest;
- Integrity;
- Objectivity;
- Competence, diligence and quality of the service;
- Independence;
- Confidentiality;
- Professional behavior.

Furthermore, the Code of Ethics regulates the relationship among colleagues by setting some behavioral principles that must drive the actions of the professional Body’s members. In

particular, it is underlined that each member must behave with fairness, loyalty, kindness towards the colleagues. Each member must not use any improper or offensive expression during the exercise of the professional activity and must respect the senior colleague. The Code also regulates relationships with clients highlighting the concept of trust. Clients are given the right to choose and replace their traders as traders are given the right to choose their clients.

Conclusions and next steps

All the previous considerations serve as a premise to the subject of the third chapter: the elaboration of a model for the sustainability report of the “ODCEC - Ordine dei Dottori Commercialisti ed Esperti Contabili” of Padua. This model will take as a starting point the concepts of:

- Corporate Social Responsibility – CSR, in the context of a professional Body;
- Sustainability, expressed in economic, social and environmental terms;
- Identity, mission and values.

Moreover, as it will be specified later, the sustainability report of the ODCEC of Padua will be prepared in compliance with the Ministerial guidelines provided for the third sector and analyzed above in the present chapter. This kind of approach is chosen in the light of the fact that a professional Body like the ODCEC can be comparable to an additional category of ETS on account of its ideal scope. It appears appropriate to underline in advance that a significant aspect of the next chapter will be determining the social impact measurement process: how can a professional Body provide a quantitative and/or qualitative measure of the impact it generates on the local community? The methods, metrics and instruments utilized will be outlined, as well as the results and evaluations that the analysis will produce.

CHAPTER 3

THE SUSTAINABILITY REPORT OF THE ODCEC OF PADUA

The professional Body of the “Dottori Commercialisti ed Esperti Contabili” of Padua recognizes the importance of supporting Entities of the Third Sector after the Third Sector Reform has come into force. From this perspective, it appears significant the cooperation between the ODCEC and the “CSV – Centro Servizi del Volontariato” of Padua, also as regards the role of Padua as European Volunteering Capital 2020.

In this context, the ODCEC aims at elaborating its first version of sustainability report. The Project it intends to carry out is characterized by an experimental nature and involves the cooperation of different entities: the professional Body “Ordine dei Dottori Commercialisti ed Esperti Contabili” of Padua, the Department of Economics and Management of the University of Padua, the professional Body “Ordine degli Psicologi” and the Department of Philosophy, Sociology, Education and Applied Psychology of the University of Padua.

3.1 From Information to Engagement – introduction to the Project

The ODCEC of Padua plays a major role within the civil society: it safeguards the professional activity towards citizens and it represents the Registered Members. Taking into account its significant institutional role, the professional Body aims at drawing up its first version of sustainability report in order to:

- disclose and share information about its everyday institutional activities, expressed in terms which are not only quantitative and economic-financial, but also qualitative and narrative;
- disclose and communicate the extent at which the stakeholders of the ODCEC of Padua are involved and engaged within the professional Body they are related to.

The ODCEC of Padua wishes to build a report which serves not only as a communication instrument that provides information, but also as a tool to report on the effectiveness of its actions, on the “feelings” and the identity of the stakeholders and their degree of involvement within the professional Body. In other words, the ODCEC of Padua wishes to detect “Engagement”. Therefore, by aiming at achieving also this additional goal, the sustainability

report of the ODCEC goes from being an information-providing tool to an engagement-detecting instrument.

As regards information disclosure, the purpose of the report is to communicate the institutional activities of the professional Body, most of all those activities that have an impact on three different areas: economic, social, environmental. These areas are the ones identified by the Ministerial Decree 4 July 2019, which illustrates the guidelines for sustainability reporting. The report seeks to inform stakeholders about the carried-out activities by using both quantitative and qualitative indicators.

However, information has a strong limitation, which lies in its own dynamics. If the communication process is considered, two subjects are involved: the sender and the receiver. The former is the subject willing to deliver or share a message: it is dynamic, reasonable, acting, innovating. The latter adopts a passive approach and acts after receiving information, but only if the message has been accurately understood. In fact, during the process, barriers to effective communication play a decisive role: noise, information distortion, language misunderstandings and poor listening might make communication ineffective.

With the purpose to make the communication process effective, the dimension of “engagement” has to be introduced. The distinctive feature of engagement with respect to information is straightforward: there are no subjects that can be qualified as senders and receivers anymore, but two (or more) active subjects who decide to involve themselves in an experience or an activity. Engagement, however, needs dialogue and transparent communication to occur. Being involved and engaged into something means to speak and to let others speak. It means to actively take part in a dialogue which allows to understand the needs, requests, feelings of the parties involved.

The innovative aspect of the ODCEC’s sustainability report lies in this: in the elaboration of a model that, by means of adequate metrics, allows to evaluate the extent at which the professional Body’s stakeholders are “engaged”. The sustainability report can be certainly considered as an instrument providing information about the efficiency of the performed activities, but also as a tool for engaging the stakeholders. From this perspective, the ultimate purpose is to measure their “sentiment”, their “identification”, their “feeling of belonging” to the professional Body. The purpose, in this case, is not only to detect quantities or numbers, but to reveal a feeling, a state of being, a degree of involvement.

In the first edition of the report, the ODCEC intends to identify the “engagement” level of one stakeholder category in particular, the Registered Members, while being committed to address other stakeholder categories in the subsequent versions, so to follow a logic of continuous improvement in the field of sustainability reporting. To that purpose, the sustainability report will include the final results of a questionnaire handed out to the Registered Members and based on the concept of “organizational well-being”. This concept was born within the psychological field in relation to the figure of an organization’s employees, with the aim to detect the physical, psychological and social well-being of an individual inside an organization. The challenge is to adapt, in the context of a professional Body, the metrics elaborated in the field of organizational well-being.

3.2 The stages of the Project

The decision, coming from the organization’s top management, to elaborate a sustainability report has, as a natural consequence, the planning of a variety of activities, stages and choices that have to be performed with the purpose to initiate the journey of sustainability reporting.

1. Firstly, a dedicated Task Force has to be set-up. A Task Force is a group of individuals, belonging to different organizational functions, that temporarily join and work together to achieve a scope, often characterized by a high degree of urgency or innovation. A Task Force focuses on a project or task and, when the project or task has been fulfilled, usually disaggregates.
2. Secondly, the Task Force needs to make a decision about which kind of guidelines to follow in the preparation of the reporting document. The Italian Law provides different guidelines according to the different characteristics of the reporting organizations or entities. For example, as it has been illustrated throughout the first chapter of the present document, sustainability reports accomplish specific goals depending on the reporting organization being public, private or nonprofit.
3. Thirdly, the Task Force has to decide whether to adhere to national or international reporting standards in the preparation of the document or to elaborate it without any reference to standards. It is clear that reporting standards improve the reliability of the document and allow for comparisons among companies. On the other side, standards might be complex to understand and to implement and might deprive the reporting entity of a certain degree of discretion in the presentation of the contents.

These general decisions have to be made in coherence with the goals and objectives that the sustainability report aims to accomplish. Therefore, the definition of the objectives represents a fundamental step in the process of building and structuring the report. The objectives must be clearly defined and have to be accurately understood by all the Task Force's components, so that the expected results are likely to be achieved. Furthermore, the objectives that are going to be identified will have to answer to the stakeholders' need to have more information about the entity's activities. The clearer the objectives, the higher the likelihood of the entity to be held accountable to its stakeholders.

These considerations about the initial stages of the Project help the Task Force understand what the priorities are and allow it to assign roles and to establish deadlines. The next stages of the process are about the evaluation of the options at disposal and the consequent elaboration of reasoned choices from which a model is derived. In the specific case of the sustainability report of the "Ordine dei Dottori Commercialisti ed Esperti Contabili" of Padua, the model wishes to stand out and distance itself from sustainability reports of other professional Bodies by proposing a different point of view, by presenting reporting content in a new way, by introducing innovative elements, by involving stakeholders in a variety of manners. Most of all, it wishes not to be self-referential: it has an interest in disclosing transparent information by representing facts in an objective and neutral manner.

3.3 The options

Bearing in mind the twofold purpose of the ODCEC of Padua described in the Introduction to the Project (see Paragraph 3.1), the dedicated Task Force needs to examine a variety of options in order to make the final choices that will bring to the elaboration of the sustainability report's model. In this perspective, it is relevant to recall the two interrelated objectives that the ODCEC's sustainability report wishes to achieve:

- the first objective is to "inform" stakeholders about the institutional activities of the entity, especially those activities which are, in wide terms, socially relevant. The sustainability report is an information-providing instrument and a tool that allows the entity to communicate its social responsibility (CSR) to internal and external stakeholders;

- the second objective is to “engage” the entity’s stakeholders. The sustainability report wishes to detect and represent the extent at which internal and external stakeholders are involved into the entity.

By aiming at realizing these objectives, the sustainability report of the ODCEC of Padua will take into consideration inputs, outputs and outcomes: it will not only provide insight about how efficient the entity has been in carrying out its activities (information), but also, it will detect the effectiveness of the entity’s activities on its stakeholders (engagement).

Options about reporting guidelines: the first options that the ODCEC has to examine are about which kind of reporting guidelines to take as a reference. The ODCEC, as a professional Body, is a non-economic public entity. It serves a public and collective interest but its primary aim does not coincide with the realization of an economic profit. The question is the following one: should reporting guidelines for public entities be considered or should reporting guidelines for nonprofit entities be utilized?

Options about reporting standards: another important aspect that has to be addressed by the ODCEC concerns the possibility to report contents by following some recognized standards. Taking into account that what is going to be realized is the first version of the report, there is not a previous document that can be used as a benchmark: the decision must be taken from scratch. Moreover, the European Directive on non-financial reporting¹⁹ and the Italian Legislative Decree on its implementation²⁰ do not make any reference to the type of content to be included in the report and let organizations free to comply with standards or, alternatively, to autonomously choose which information to provide. Therefore, the most important choice is between following or not a reporting standard and, if the decision is to follow a standard, the next step will be the choice among the existing ones, as for example the ones elaborated by the GBS (Gruppo per il Bilancio Sociale) or the GRI (Global Reporting Initiative).

Options about reporting content. Not only options about reporting guidelines and reporting standards have to be examined, but also options about reporting content. The sustainability document that the ODCEC seeks to elaborate aims at distinguishing itself from other sustainability reports been produced: the dimension of stakeholder “engagement” that appears

¹⁹ Directive 2014/95/EU

²⁰ Legislative Decree December 30, 2016, n. 254

to be innovative needs to co-exist with the typical (and most traditional) elements of a sustainability report.

Options about the adopted approach: the approach utilized for presenting the report's content must be determined. For instance, information might be presented by following an economic-financial approach, which focuses on numbers, quantities, ratios, percentages. This kind of approach enables to immediately visualize how efficient the entity has been in performing its activities. KPIs (Key Performance Indicators) are particularly useful to see whether a certain target has been met and to identify possibilities for improvement. However, this approach might not be the most appropriate if the "engagement" dimension is also considered. The stakeholders' feeling of belonging or identification is difficult to be represented by means of numbers and quantities, so a different approach might be needed.

3.4 The choices that have been made

Reporting guidelines. In preparing a report which can serve the twofold purpose described above, the ODCEC has decided to comply with the guidelines provided by the Ministerial Decree 4 July 2019 and by the Ministerial Decree 23 July 2019, in light of the principles of Corporate Social Responsibility and Social Impact Evaluation. The guidelines refer to Third Sector Entities. Nevertheless, the ODCEC of Padua has decided to adopt them since it can be comparable to an ETS on account of its ideal scope and non-economic nature. It has to be underlined that the two Decrees give Third Sector Entities a considerable leeway in structuring their report: while the Decree 4 July 2019 confines itself to a list of principles and content elements to be included in the report, the Decree 23 July 2019 leaves Entities the choice to use those metrics which are more appropriate for them with reference to Social Impact Evaluation. However, the flexibility provided by the Decree for the adoption of a model of Social Impact Evaluation is highly valuable. It gives the ODCEC the possibility to construct an evaluation model which best fits its specificities and which can be applicable consistently over time in order to explain its value.

Reporting standards. In addition, the ODCEC of Padua has taken into account the possibility to prepare its sustainability report in accordance with reporting standards. Conscious that standards help entities measure their social and environmental impact, increase their transparency and accountability, be compared to other companies (see paragraph 1.2.4 "Reporting Standards"), the ODCEC has decided to adhere to one of the existing forms of

standard. The “Ordine dei Dottori Commercialisti ed Esperti Contabili” of Padua has considered the most common standards for sustainability reporting in Italy, released by the “Global Reporting Initiative – GRI” and the “Gruppo per il Bilancio Sociale – GBS”. Finally, it has been chosen to adopt the GRI Standards mainly for the following reasons:

- they are considered as the global best practice for sustainability reporting;
- they guarantee the building of a model which is less self-referential and more comparable to other organization’s economic, social and environmental performances;
- they provide KPIs for performance evaluation which are not only referred to economic-financial, but also to social and environmental sustainability;
- they are based on the principle of stakeholder inclusiveness, highly relevant for the ODCEC of Padua.

Although the standards provided by the GBS define in a more detailed manner the structure and the content of the report, the ODCEC of Padua has opted for the higher flexibility offered by the GRI standards, which identify a set of principles for report content and report quality but leave, at the same time, considerable leeway. Taking into account the objectives and the experimental nature of the Project, the GRI standards appear to be the most appropriate choice.

Report content and distinctiveness of the model. Building a model for a sustainability report that enables to combine the dimensions of information and engagement is not an easy task. To represent information, the Task Force has decided to stick to the guidelines provided by the Ministerial Decree 4 July 2019. The Decree highlights the three areas of sustainability, which are going to represent the key pillars of Information (Figure 4):

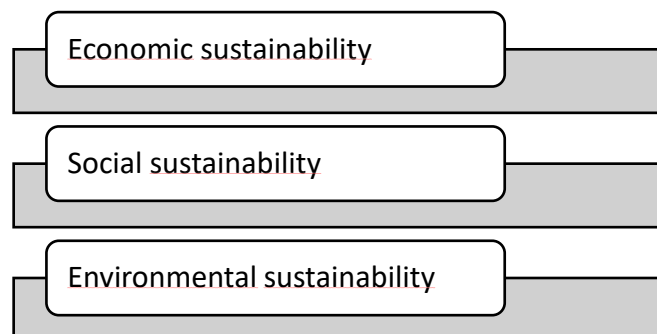


Figure 4: The three pillars of sustainability (personal elaboration)

Each sustainability area will be treated in the document that the ODCEC will produce by following the indications provided by the chosen standards and reporting guidelines, in light of the principles of Corporate Social Responsibility (CSR). In particular, the section of social sustainability, given the relevance that it covers, will be further distinguished in four focus areas, which will be dealt with in the next paragraph (see Paragraph 3.5).

Instead, the representation of the dimension of Engagement can be based on the guidelines pointed out by the Decree 23 July 2019. In this way, the ODCEC links the Engagement dimension to the social impact evaluation by investigating the involvement, the feelings, the identification of the stakeholders into the professional Body. However, neither the Decree nor the academic Literature provide suggestions for appropriate metrics to be utilized at this scope.

It is relevant to underline that engagement is based on information: stakeholders' engagement lies on the three pillars of sustainability. Without Information, Engagement is difficult to achieve.

Furthermore, the model stands out for the participatory approach that has been decided to follow. The participatory approach is recognized and valued by the Task Force as a key part of the best practice and materializes in:

- regular meetings of the Task Force held at the ODCEC's headquarter to keep track the progress of the reporting activity;
- engagement of the stakeholders through designated instruments, in order to involve them in the reporting process.

Social Impact Evaluation metrics: the methodological approach. Since the Ministerial Decree and the academic Literature do not provide any specific and strict rules for measuring the social impact generated by the ODCEC of Padua, the Task Force has deliberately chosen to adopt a multidisciplinary approach in order to come up with applicable evaluation metrics. Given the experimental nature of the Project, it has been made a research about the fields of activity in which some forms of metrics for stakeholder engagement have been elaborated: such metrics have been found in the field of organizational well-being, in relation to the employees of an organization. They are scientifically recognized and certified, but specifically targeted on the employees of an enterprise. Therefore, in order to be correctly utilized, they need to be adapted into the context of a professional Body like the ODCEC of Padua.

The metrics of organizational well-being must be employed by the professional Body in a way that enables to detect the extent at which stakeholders are actually “engaged”. For the first version of the sustainability report of the ODCEC of Padua, it has been decided to build a questionnaire that moves from the organizational well-being’s metrics in order to detect the engagement level of the community represented by the Registered Members. For the realization of the objective, a mutual cooperation between the ODCEC and the University of Padua appears to be precious.

The questionnaire that will be elaborated and handed out to the Registered Members allows to come up with an evaluation of social impact, in accordance with what is required by the Law. The Ministerial Decree 23 July 2019, for instance, highlights the importance of a qualitative and quantitative evaluation on the short, medium and long run of the effects of the carried-out activities on the target community, with respect to the identified objective. Being the target community represented by the Registered Members (for the first version of the report) and the identified objective represented by the assessment of the “engagement” or “feeling of belonging”, the questionnaire appears to be a valid and appropriate instrument to detect the social impact generated by the ODCEC of Padua.

Once again, it is worth to underline the experimental nature of the Project and the fact that the guidelines provided by the Law are to be intended as an experimental instrument. The Decree on social impact evaluation²¹ states that each entity has the power to autonomously choose the evaluation metrics which are best suitable for the kind of activity and projects carried out and that the evaluation system can have a different complexity depending on the size of the reporting entity and the adopted legal form. This being said, the Task Force believes that a questionnaire based on the certified metrics of organizational well-being is an adequate evaluation instrument for the assessment of its social impact on the target community.

Conclusions. The following table (Table 4) summarizes the key choices that have been made:

²¹ Ministerial Decree July 23, 2019

THEME	CHOICE
<p>Reporting guidelines</p>	<ul style="list-style-type: none"> • Ministerial Decree 4 July 2019 – “Adozione delle Linee guida per la redazione del bilancio sociale degli enti del Terzo settore”; • Ministerial Decree 23 July 2019 – “Linee guida per la realizzazione di sistemi di valutazione dell’impatto sociale delle attività svolte dagli enti del Terzo settore”.
<p>Reporting standards</p>	<p>GRI standards, in the latest version launched in 2016.</p>
<p>Report content and distinctiveness of the model</p>	<ul style="list-style-type: none"> • Information - representation of the institutional activities carried out within the economic, social and environmental areas through KPIs; • Engagement – representation of the identification and the feeling of belonging of the professional Body’s stakeholders.
<p>Approach for Social Impact Evaluation</p>	<p>Multidisciplinary approach, that goes beyond the economic field by exploring also the psycho-social and organizational well-being fields.</p>

Table 4: Representation of the main choices that have been made (personal elaboration)

3.5 The structure of the report

From what has been discussed in the previous paragraphs, it appears clear that the model for the sustainability report of the “Ordine dei Dottori Commercialisti ed Esperti Contabili” of Padua is based on the two dimensions of information and engagement, where the former is necessary to generate the latter.

3.5.1 Information

If the sustainability report is considered as a communication tool that provides more and different information, with respect to the annual report, about the ODCEC’s institutional activities, then some topics must be included:

1. **Identity, mission, values.** Firstly, internal and external stakeholders have the right to be informed about the institutional identity, mission and values of the ODCEC. Identity,

mission and values play a significant role since the ODCEC's actions, just like the ones of an Entity of the Third Sector, are not driven by competitive dynamics or the profit-making objective. At the opposite, they are driven by the entity's mission itself, which is expressed through the achievement of a social objective. Therefore, the institutional activity of the entity is based on a variety of fundamental values and ethical principles that allow the entity itself to produce and distribute social utility.

2. **Stakeholder mapping.** Secondly, a necessary step to convey information is to list the stakeholder categories of the professional Body through a process which is called "Stakeholder Mapping". Stakeholders represent the main target of the reporting document. They are single individuals, groups or organizations that "hold an interest" towards the entity: they are linked to the entity through a certain kind of relationship and affect (and are affected by) its activities.

Stakeholders are important actors for the ODCEC of Padua: the entity recognizes their value by implementing strategies and decisions that enable to provide an answer to their requests and to satisfy their needs. The ODCEC wishes to put in place projects and initiatives that can provide economic and social value to its stakeholders.

Stakeholders are generally distinguished in two categories:

- Internal stakeholders. In the context of a professional Body like the ODCEC of Padua, internal stakeholders can be identified in the Registered Members, the Trainees, the Governance Bodies, the Monitoring Bodies and the personnel. All these groups of individuals primarily affect the activity of the professional Body by contributing to the concretization of its institutional mission on a day-to-day basis.
- External stakeholders. They can be identified in suppliers, clients, Institutions, other professional Bodies and the surrounding community. All these subjects maintain with the ODCEC of Padua different typologies of relationships with different degrees of depth. They do not contribute directly to the concretization of the institutional mission, but they indirectly enable the ODCEC to achieve it.

The following diagram (Figure 5) constitutes an example of stakeholder mapping, where the ODCEC's internal stakeholders are represented in the upper part of it, while the external stakeholders are represented in the lower one.

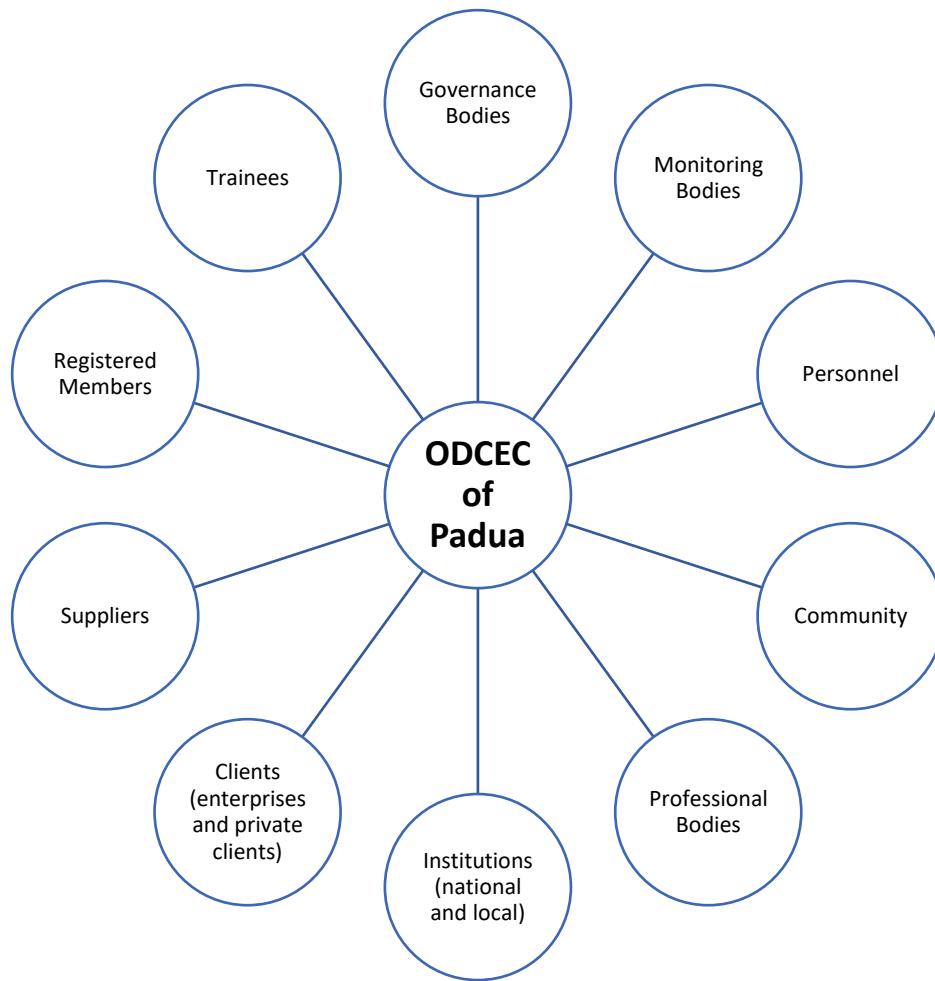


Figure 5: Example of stakeholder mapping of the ODCEC of Padua (personal elaboration)

Material themes in the three areas of sustainability. Thirdly, internal and external stakeholders have the right to be informed about the relevant institutional activities of the ODCEC of Padua. The sustainability report is, indeed, a document about the activities of an organization, illustrated in a concise yet complete manner.

However, not all the activities carried out merit to be included in the document. For this reason, the GRI standards, which the Task Force has decided to adopt, state the principle of “materiality” as a driver for the determination of the reporting topics: only topics which are considered to be sufficiently relevant and “material” have to be included. Topics are material if they “reflect the reporting organization’s significant economic, environmental, and social impacts” or “substantively influence the assessments and decisions of stakeholders” (GRI Standards, 2016)²². It follows that materiality is defined by an internal (the organization) and an external (the stakeholders) parameter. Not all

²² GRI Standards, 2016. GRI 101: FOUNDATION, page 10.

the material topics are equally important, so the entity must rank them by assigning priorities.

In compliance with what is suggested by the standards, the ODCEC of Padua has chosen to utilize a graphic instrument to represent and understand which topics possess the materiality requirement. The instrument is called “Materiality Matrix”: it represents on the horizontal axis the significance of the topic’s impact onto the economic, environmental and social field from the perspective of the entity, and, on the vertical axis, the significance of the topic from the perspective of the stakeholders.

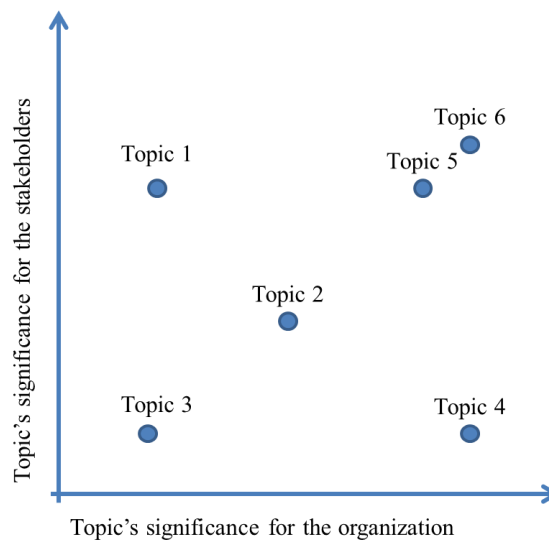


Figure 6: Example of a Materiality Matrix (personal elaboration)

The materiality matrix encourages the entity and its stakeholders to determine material topics and enables them to visualize those topics through a graph. Figure 6 shows an example of a matrix displaying six topics. The matrix indicates, for example, that “Topic 1” and “Topic 3” have both a low significance for the organization; however, “Topic 1” appears to be more significant from the stakeholders’ perspective. At the opposite, while “Topic 4” and “Topic 6” are highly significant from the organization’s perspective, stakeholders do not rate “Topic 4” as significant at all. The next step is about ranking material topics by assigning them a degree of priority.

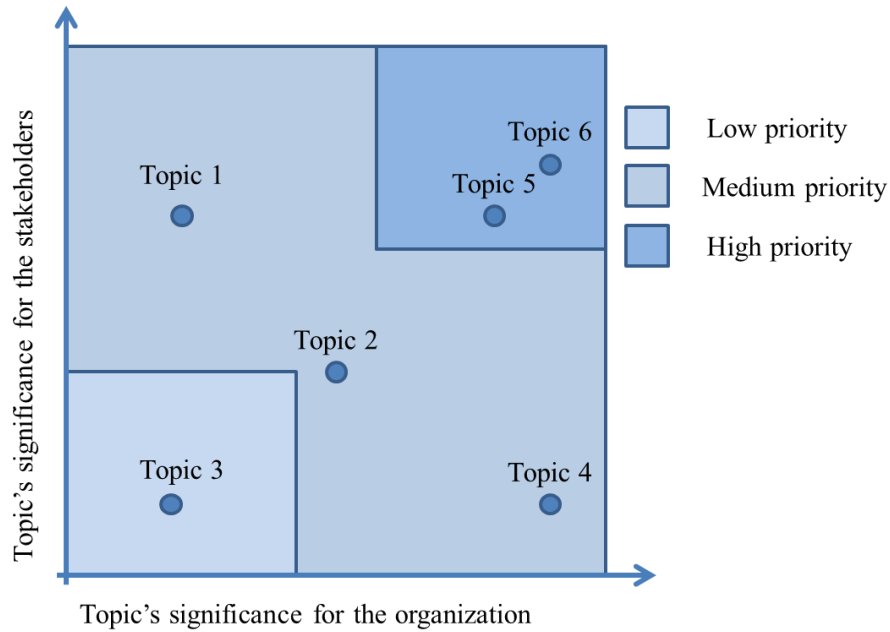


Figure 7: The Materiality Matrix and topics' prioritization (personal elaboration)

The figure above (Figure 7) shows which topics within the matrix are given a low, medium or high priority. “Topic 3” is given a low priority and can be left out from the reporting process; “Topic 1”, “Topic 2” and “Topic 4” are assigned a medium priority, while “Topic 5” and “Topic 6” merit to be included in the report, since they have been considered highly significant both by the organization and by its stakeholders.

The GRI Standards recommend that the entity provides insight into the process that has been followed for the determination of the material topics and the relative prioritization. The Task Force finds a multi-stakeholder focus group the optimal solution for the definition of material themes. Being a focus group a narrow group of individuals discussing about a certain topic, concept or product with the purpose to gather opinions and ideas, it would represent the ideal organizational solution to listen to different stakeholders' requirements and to define their significance.

It is worth to stress that the material topics need to be allocated to the three areas of sustainability identified by the Ministerial Decree 4 July 2019 on the guidelines for the sustainability report of ETS. Therefore, material topics will concern either the economic, social or environmental area.

3. **Indicators for the material topics.** Fourthly, the material topics identified through the matrix have to be appropriately reported and measured. At this purpose, quantitative

and qualitative indicators such as KPIs can be used, which allow to detect the degree of efficiency that the ODCEC has operated with. KPIs are numbers, ratios, percentages, time periods that allow the entity to measure its key success and risk factors. The definition of KPIs encourages the entity to focus on its goals and objectives and allows decision makers to implement the right strategies. Despite the great advantages they provide, KPIs have a limit: they are mostly a measure of efficiency of the processes, initiatives and activities realized. They rarely allow an organization to have information about the effectiveness of the projects carried out. For example, KPIs allow to represent with a specified number the quantity of training activities organized by the ODCEC of Padua, but cannot tell if the training activities have been perceived as interesting or useful by the participants.

This is a reason why the dimension of engagement has been introduced in the report: by engaging the participants, or, more widely, the stakeholders, and by interacting with them through the most appropriate instruments, the ODCEC can receive complete information, in terms of both efficiency and effectiveness.

In conclusion, the sustainability report of the ODCEC of Padua as information tool will be able to provide answers to the following questions (Figure 8):

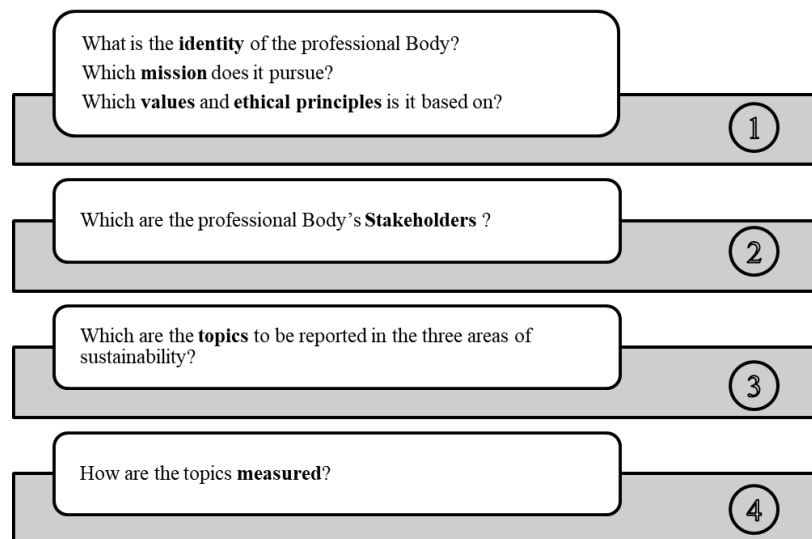


Figure 8: *Questions addressed by the sustainability report (personal elaboration)*

Finally, a structure for the sustainability report of the ODCEC of Padua is proposed. The report can include the following sections:

- a. Letter of the President: the reporting document opens with a letter by the professional Body's President, underlining the objectives of the initiative and the reason why it has been carried out;
- b. Methodological Note: the section explains the method employed to disclose non-financial information, highlighting relevant aspects such as the adopted approach and the standards taken as a reference;
- c. The ODCEC of Padua: identity, mission and values. This section can serve as introduction in order to define the entity itself through its identity, mission and core values. It allows to place the entity in the context of sustainability and to provide insight into the institutional activities and content elements of the report. The process of stakeholders' mapping and material topics' definition are included in the section;
- d. The economic sustainability: all the economic-related material aspects are going to be dealt with in this section. In particular, financial statements will be reclassified in order to detect the economic value generated and distributed by the professional Body;
- e. The social sustainability: all the social-related material aspects are going to be dealt with in this section. In particular, four focus areas have been identified:
 - The Registered Members;
 - The Personnel;
 - The collectivity, the Institutions and other Entities;
 - The quality of the professional service delivered by the Registered Members to their clients.

Each area will report on the related aspects, including tables and indicators providing relevant information. By way of example, tables and graphs connected to the first category (The Registered Members) are reported below (see "Focus: The Registered Members – Informative tables")

- f. The environmental sustainability: all the environment-related material aspects are going to be dealt with in this section. It should be noted that environmental themes appear to be only marginally significant for a professional Body. However, data about digitalized

processes can be included in this section, in order to track improvements in the reduction of paper consumption.

Since the elaboration of the report has to occur in compliance with the reporting guidelines defined by the Law (Ministerial Decree 4 July 2019), it is relevant to propose a table (Table 5) which highlights the relationship between the content elements identified by the Law (see Paragraph 2.2.1) and the sections of the sustainability report mentioned above. For each content element identified by the reporting guidelines, the section of the report in which it will be treated is indicated. This serves as an evidence that the all the content elements are included in the report and dealt with in the appropriate sections.

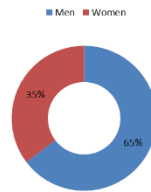
Content elements identified by the Ministerial Decree 4 July 2019	Section of the sustainability report of the ODCEC of Padua
1. The methodology adopted for sustainability reporting	“Methodological Note”
2. General information about the entity	“The ODCEC of Padua: identity, mission and values”
3. Structure, governance and administration	“The ODCEC of Padua: identity, mission and values”
4. People working for the entity	“Social sustainability” - the Personnel
5. Objectives and activities	<u>Definition</u> in “The ODCEC of Padua: identity, mission and values” and <u>discussion</u> in “Economic sustainability”, “Social sustainability”, “Environmental sustainability”
6. Economic and financial situation	“Economic sustainability”
7. Additional information	“Social sustainability” and “Environmental sustainability”
8. Monitoring activity by the Supervisory Body	Separate report by the Supervisory Body

Table 5: The content elements identified by the Law and the sections of the report (personal elaboration)

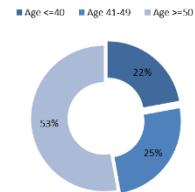
Focus: The Registered Members – Informative tables (reporting period: 2019, personal elaborations)

Professional Register	
Men	1065
Women	582
TOTAL	1647
Age <=40	364
Age 41-49	413
Age >=50	870
TOTAL	1647
n. of registrations 2019	40
n. of cancellations 2019	20

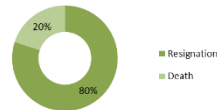
Gender distribution



Age distribution

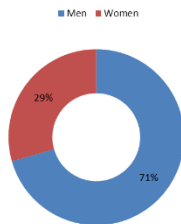


Professional Register's cancellations

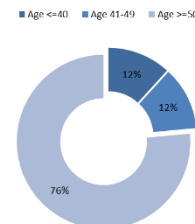


Special List	
Men	12
Women	5
TOTAL	17
Age <=40	2
Age 41-49	2
Age >=50	13
TOTAL	17
n. of registrations 2019	0
n. of cancellations 2019	2

Gender distribution

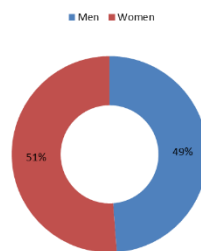


Age distribution

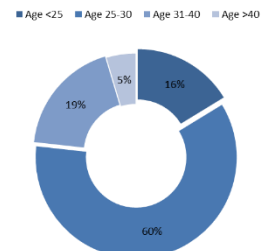


Trainees	
Men	42
Women	44
TOTAL	86
Age <25	14
Age 25-30	52
Age 31-40	16
Age >40	4
TOTAL	86
n. of registrations 2019	50
n. of cancellations 2019	71
Training in-progress	86
Tirocinio concluded	60

Gender distribution



Age distribution



Comparison 2017-2018-2019

Professional Register			
	2017	2018	2019
Men	1059	1054	1065
Women	565	570	582
TOTAL	1624	1624	1647
Age <=40	372	339	364
Age 41-49	463	518	413
Age >=50	789	767	870
TOTAL	1624	1624	1647
n. of registrations	49	37	40
n. of cancellations	36	24	20

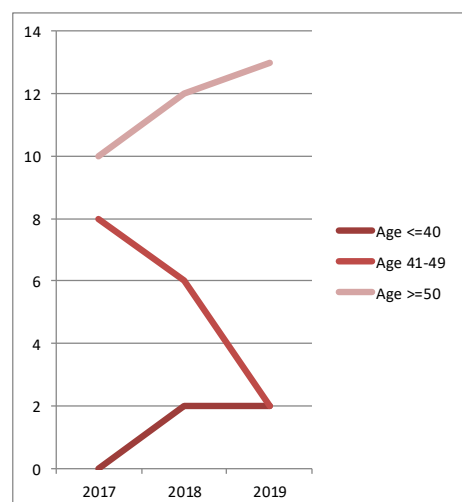
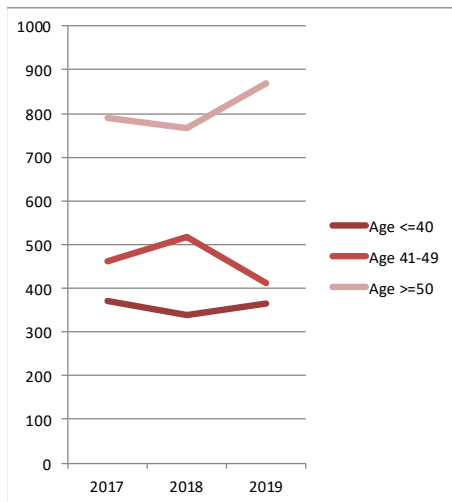
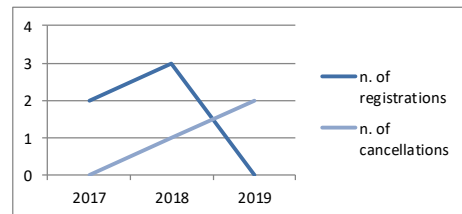
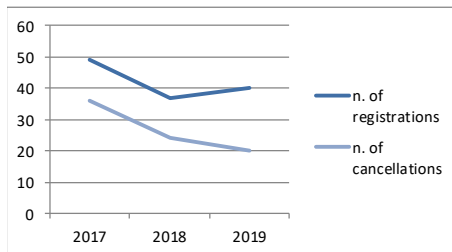
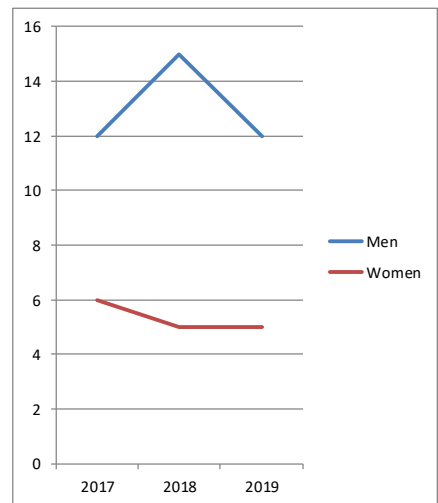
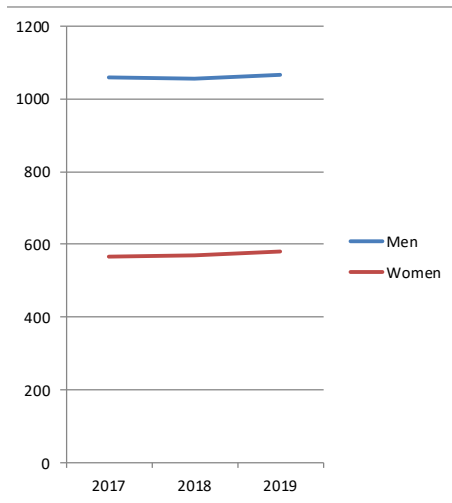
%VAR 18-19

1,0%
2,1%
1,4%
7,4%
-20,3%
13,4%
1,4%
8,1%
-16,7%

Special List			
	2017	2018	2019
Men	12	15	12
Women	6	5	5
TOTAL	18	20	17
Age <=40	0	2	2
Age 41-49	8	6	2
Age >=50	10	12	13
TOTAL	18	20	17
n. of registrations	2	3	0
n. of cancellations	0	1	2

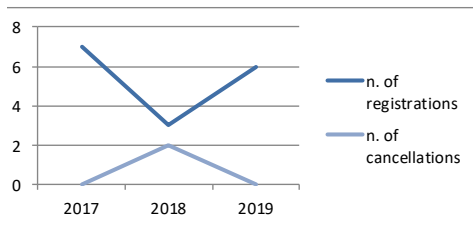
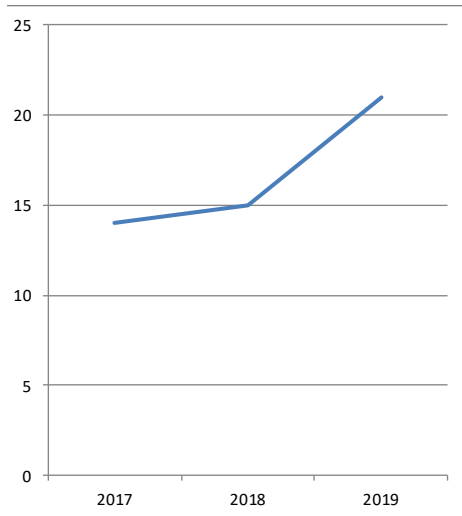
%VAR 18-19

-20%
0%
-15%
0%
-67%
8%
-15%
-100%
100%

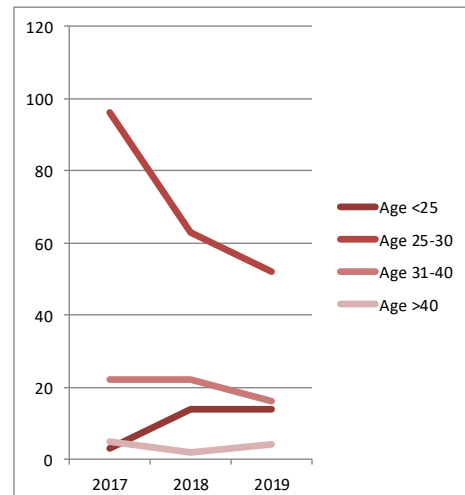
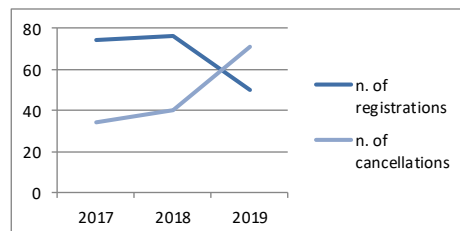
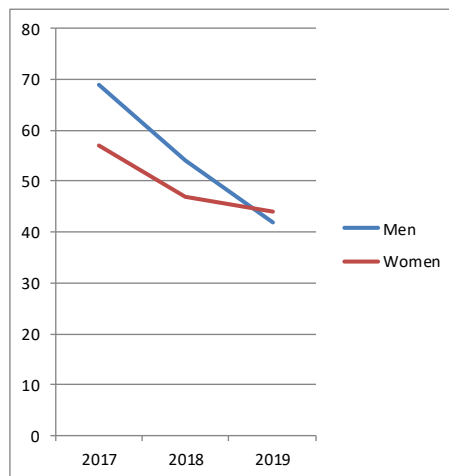


Comparison 2017-2018-2019

Societies between Professionals				%VAR 18-19
	2017	2018	2019	
TOTAL	14	15	21	40%
n. of registrations	7	3	6	100%
n. of cancellations	0	2	0	-100%



Trainees				%VAR 18-19
	2017	2018	2019	
Men	69	54	42	-22%
Women	57	47	44	-6%
TOTAL	126	101	86	-15%
Age <25	3	14	14	0%
Age 25-30	96	63	52	-17%
Age 31-40	22	22	16	-27%
Age >40	5	2	4	100%
TOT	126	101	86	-15%
n. of registrations	74	76	50	-34%
n. of cancellations	34	40	71	78%
Training in-progress	126	95	86	-9%
Training concluded	49	69	60	-13%



3.5.2 Engagement

The sustainability report is not only an informative tool but also an instrument for engaging the stakeholders. It becomes a tool which allows stakeholders to feel involved in the professional Body and to perceive themselves as active subjects, strengthening in this way their identification with the professional Body itself. The more stakeholders feel engaged, the more they will identify themselves in the professional Body they are related to.

The dimension of engagement is going to be exploited within the section of social sustainability, wherein the Task Force has identified four focus areas. As previously mentioned, the focus areas are:

- The Registered Members;
- The Personnel;
- The collectivity, the Institutions and other Entities;
- The quality of the professional service delivered by the Registered Members to their clients.

The Task Force has considered that the four areas are likely to be representative of the ODCEC's stakeholder categories: the Registered Members and the personnel as internal stakeholders, contributing directly to the realization of the ODCEC's institutional mission; the collectivity, the Institutions and the other Entities together with Registered Members' clients as external stakeholders contributing indirectly to the mission's realization.

The dimension of engagement is going to be gradually applied to the focus areas, starting from the Registered Members in the first version of the sustainability report. In this case, engagement is explored through a questionnaire built on the basis of the metrics elaborated in the context of organizational well-being. Therefore, the questionnaire becomes the instrument through which the ODCEC measures the social impact generated on one target community, the one of the Registered Members.

In any case, the ODCEC is committed to address all the four focus areas in the subsequent versions of the report, in order to explore the engagement extent that characterizes them. The following table (Table 6) displays the instruments adopted (in the case of the first focus area) and planned to be adopted (in the case of the remaining ones) by the professional Body to represent the engagement dimension in the report.

Focus areas	Engagement measuring instrument
Registered Members	Questionnaire built on the basis of the metrics elaborated in the field of organizational well-being in order to detect the identification, feeling of belonging and satisfaction towards the professional Body.
Personnel	Creation of a focus group made by the entire personnel.
The collectivity , the Institutions and other Entities	Elaboration of an instrument that allows to measure how the professional Body is perceived by external stakeholders.
The quality of the professional service delivered by the Registered Members.	Customer satisfaction questionnaires, that allow to detect improvements in the professional service delivered by the Registered Members.

Table 6: Instruments adopted for representing the engagement dimension (personal elaboration)

Unlike KPIs, the results derived by the engagement instruments depicted in the table allow to detect how effective the ODCEC has been in carrying out its activities. They provide a measure for effectiveness underlining the outcomes and not the outputs and revealing the extent at which the Registered Members are satisfied, if they “feel good” within the professional Body and if they identify themselves in that. In the first version of the report, the questionnaire handed out to the Registered Members allows to reveal the social impact generated by the ODCEC and it represents a first instrument to abandon the self-referential logic that the professional Body in question wished to avoid. It is the first step which surely needs to be reinforced by the subsequent analyses on stakeholder engagement.

3.6 Social sustainability: available data, elaborations and insights

The methodology which has been followed for the elaboration of the report is that of providing an empirical evidence for each of the focus areas identified in the field of social sustainability. In essence, for each of the four areas described above, a set of available data has been identified, from which an elaboration is derived. While the available data identify the “state of the art”, each elaboration aims at verifying whether critical issues exist. Elaborations are made with a specific research purpose (which will be explained in the following lines of the paragraph) and can be considered as strategic tools which originate appropriate in-depth analyses (later:

“Insights”). Those insights are considered as instruments that, by directly or indirectly addressing the critical issues highlighted by the elaborations, propose a particular perspective that allows to further engage stakeholders. As concerns the area of the Registered Members, the insight has been “performed” and coincides with the questionnaire built by employing the metrics elaborated in the field of organizational well-being. As concerns the remaining three areas, the insights have been only “proposed” and will be performed only in the subsequent versions of the sustainability report of the ODCEC of Padua. The final objective is to provide stakeholders with a continuous and dynamic collection of data, by deeply exploring a different focus area in every version of the report. In conclusion, the insights performed or proposed are instruments:

- aimed at engaging stakeholders and consequently representing the dimension of engagement of the report;
- identified by the ODCEC of Padua to evaluate the social impact it generates on target communities of stakeholders (Social Impact Evaluation);
- identified by the ODCEC for providing a measure of outcome, highlighting the results achieved by the professional Body in terms of effectiveness.

By making reference to the impact value chain described in Paragraph 2.2.2 “Social Impact Measurement”, it can be argued that available data constitute the inputs, elaborations constitute the outputs and, finally, the results derived by the insights constitute the outcomes (Figure 9).

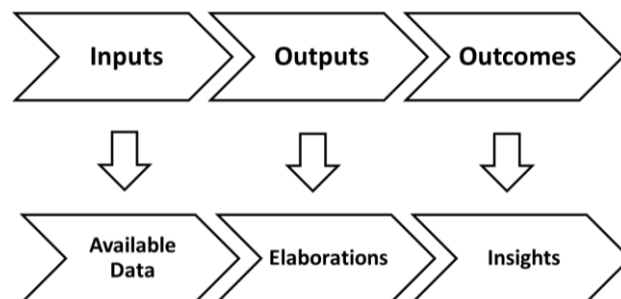


Figure 9: The Impact Value chain and the followed methodology (personal elaboration)

3.6.1 The ODCEC and the Registered Members

The Registered Members are the most important category of internal stakeholders: with their ordinary activity, they directly contribute to realize the institutional mission of the professional

Body they belong to. They are able to realize it thanks to the specialized economic-financial education they receive by the ODCEC of Padua itself.

The available data: the list of the Members registered at the Professional Register (“Albo”) of the “Ordine dei Dottori Commercialisti ed Esperti Contabili” of Padua has been chosen as primary source of data. For every Registered Member, the list indicates: registration code, date of registration at the professional Body, birth date, gender, address of the professional Study, city of the professional Study, Zip Code (see Table 7). The list is composed of 1647 rows, which correspond to the 1647 Members registered at the professional Body of Padua at December 2019.

<i>Registration Code</i>	<i>Registration Date</i>	<i>Birth Date</i>	<i>Gender</i>	<i>Professional Study's address</i>	<i>Professional Study's city</i>	<i>Zip Code</i>
xxxxx	.../.../...	.../.../...	M/F	xxxxx
xxxxx	.../.../...	.../.../...	M/F	xxxxx

Table 7: Structure of the Registered Members' list (personal elaboration)

The elaboration: it consists of a geographic mapping of the Registered Members of the ODCEC of Padua. This choice has been made with the objective to detect whether the variable “Distance” of the Registered Member’s professional Study from the ODCEC headquarter constitutes a disincentive for the participation at educational events or formal meetings organized at the headquarter. In other words, the purpose is to verify whether the headquarter is accessible by the majority of the Members, so that they do not feel discouraged (by the factor “distance”) for taking part at events or meetings.

Figure 10 (see below) depicts the Registered Members’ mapping and shows that the majority of the Members (58.9%) carries out its professional activity within the municipality of Padua and that 80% of the Registered Members carries out its activity in 12 municipalities. The municipality of Padua counts 966 Studies, followed by Cittadella (62 Studies), Abano Terme (39 Studies) and Albignasego (37).

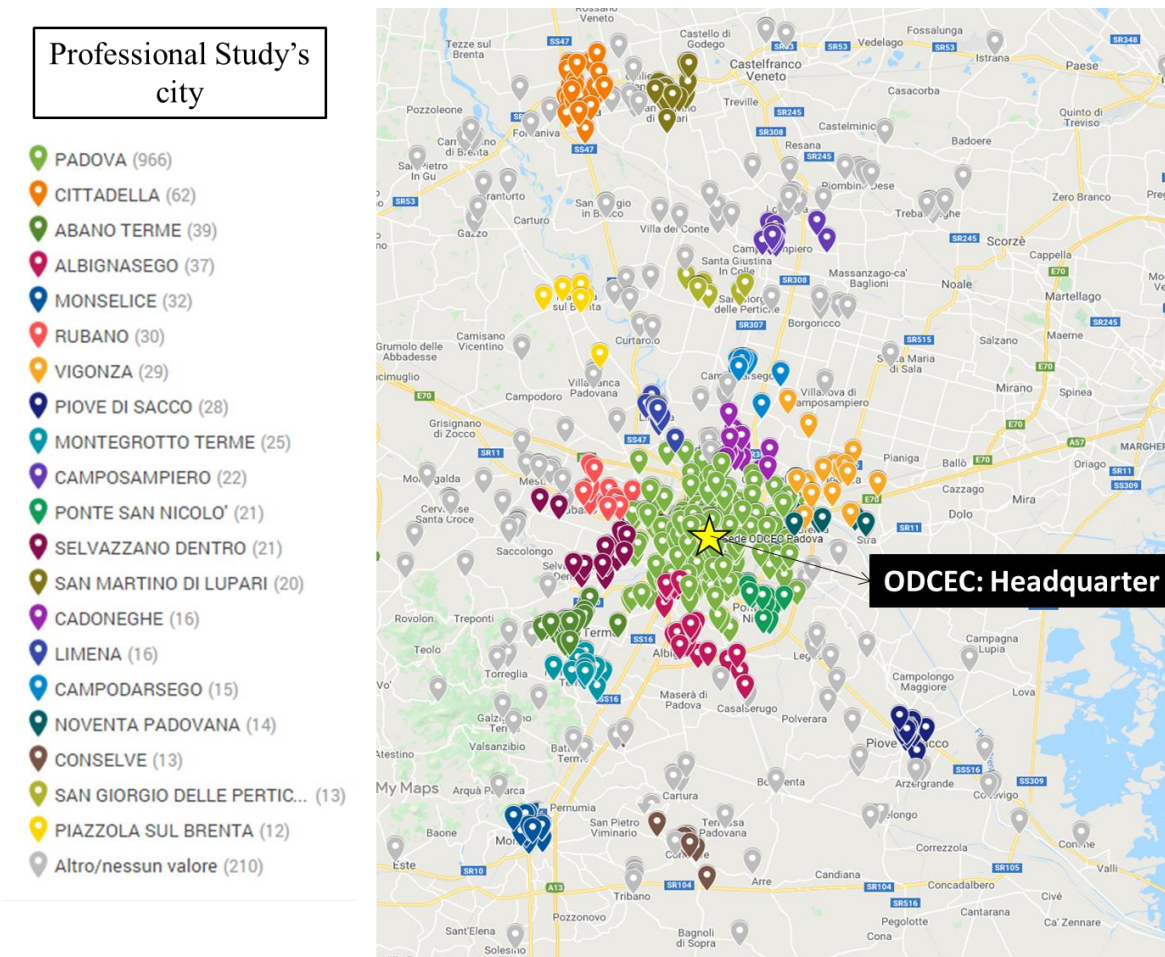


Figure 10: Geographical mapping of the Registered Members (personal elaboration)

The performed Insight: in order to deeply analyze the category of the Registered Members, the Insight that has been chosen to perform consists of the already-mentioned questionnaire, built by employing the metrics elaborated in the field of organizational well-being. The questionnaire, which will be the subject of a separate paragraph, is the instrument chosen for engaging the Registered Members and allows to detect their “feelings” towards the professional Body they belong to. The ODCEC has chosen to measure in this way its social impact on the target community (Social Impact Evaluation), in this case represented by the Registered Members, and to provide a measure of the effectiveness of its activities.

3.6.2 The ODCEC and the Personnel

An additional category of internal stakeholders is represented by the personnel. It contributes directly to the realization of the ODCEC of Padua’s institutional mission by providing the Registered Members and third parties with high added-value services.

The available data: two investigation documents constitute, in this case, primary sources of information. The first document is called “Documento di Valutazione del rischio da stress da lavoro correlato”. It evaluates the risk of work-related stress of the administrative structure of the ODCEC of Padua and it has been developed in May 2019. The second document is called “Analisi e revisione dei processi per migliorare l’efficienza della struttura organizzativa”. It allows to learn about the actual processes of the administrative structure, to analyze critical issues and inefficiencies and to identify opportunities for improvement. It has been issued in September 2018 (reporting period: May 2017 – April 2018), as part of the “Lean Office” Project undertaken by the professional Body.

The elaboration: it consists of a SWOT Analysis, which has been built starting from the information provided by the two documents. In relation to the administrative structure, the analysis highlights its Strengths, Weaknesses, Opportunities for improvement and Threats. The qualitative information included in the table is integrated with KPIs, where available, in order not only to provide a quantitative evidence of the related element, but also to track improvements that will be made in the future. The Analysis could represent a starting point for the elaboration of an instrument which, by engaging the personnel, allows to increase the strengths, reduce the weaknesses, exploit the opportunities for improvement and avoid the risks which the administrative structure can incur into.

In particular, the SWOT Analysis for the administrative system (Figure 11) highlights that the risk of work-related stress is immaterial and that there is an overall positive attitude by the human resources towards training and educational activities. However, time for training activities is limited to less than 9 days per year and the perceived work-load exceeds the personnel’s standard working hours. Additional weaknesses are represented by the fact that employees, in performing their job, appear to be personal-objective-oriented rather than process-oriented and that the high number of educational events organized for the Registered Members (212 events during the reporting period) makes it difficult for the personnel to efficiently manage them. Surely, there are opportunities for improvement, in terms of both process efficiency and effectiveness, but also risks to be avoided, such as a loss of synergies if human resources fail in cooperating and sharing information.

SWOT ANALYSIS	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Immaterial risk of work-related stress (Risk Evaluation score: 39/216); • Critical and proactive approach towards improvement activities; • Perception of training as a value-adding and strategically relevant activity. 	<ul style="list-style-type: none"> • Employees are objective-oriented and not process-oriented; • Employees' perception of workload is not coherent with the standard working hours; • Reduced time for training activities (Only 8,7 days/year, 5 of which in self-management, dedicated to training activities); • High number of educational events to manage with respect to other professional Bodies (212 events in the reporting period); • Internal process of e-mail sorting is ineffective (57,1 days/year dedicated to the activity).
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • To strengthen the strategic dialogue with the other professional Bodies of Triveneto (only 2,9 days/year dedicated to the activity); • To increase the efficiency of the organizational processes (tasks allocation, role clarity); • To increase the effectiveness of the organizational processes (focus on the value-creating activities). 	<ul style="list-style-type: none"> • Efficiency and effectiveness loss as a result of the departure of a key resource; • Synergies are lost if there is an insufficient level of cooperation and team-work among the human resources.

Figure 11: SWOT Analysis of the Administrative Structure (personal elaboration)

The SWOT Analysis highlights that the resources perceive a workload which outweighs their standard working hours. Therefore, it has been found relevant to deepen this aspect by providing quantitative evidence starting from the data included in the primary sources of information. The elaboration focuses on the relationship between the perceived workload declared by the resources and the actual workload at which they should be contractually subject, with the purpose to verify whether the resources are actually overwhelmed by an excessive workload. The table below (Table 8) provides insight into the process which brought to the determination of the “Estimated MFTE” indicator, which measures the workload at which each resource is subject:

- If “Estimated MFTE” > 1, then the declared workload exceeds the one contractually derived;
- If “Estimated MFTE” = 1, then the declared workload is coherent with the one contractually derived;
- If “Estimated MFTE” < 1, then the declared workload is lower than the one contractually derived.

Workload				
	Commitment declared by the personnel (days/year)	Weekly standard working hours	MFTE Coefficient	Estimated MFTE
Resource 1	106,9	20	110,0	0,97
Resource 2	191,9	32	176,0	1,09
Resource 3	244,34	30	165,0	1,48
Resource 4	135,5	24	132,0	1,03
Resource 5	209,9	36	198,0	1,06
Resource 6	194,4	36	198,0	0,98
MFTE (Modified Full-Time Equivalent) Coefficient computation				
Typology of contract	Weekly standard working hours of the personnel	MFTE	Working days per week	Working weeks per year
Full-Time	36	198	4,5	44
Part-time 1	32	176,0		
Part-time 2	30	165,0		
Part-time 3	24	132,0		
Part-time 4	20	110,0		

Table 8: The personnel and the workload (personal elaboration)

The elaboration highlights that the workload exceeds the standard working hours for 4 resources out of 6. In an ideal condition, the “Estimated MFTE” should be equal to 1, so that there is no deviation from the workload derived from the standard working hours. However, the estimated indicator for resources 2-3-4-5 is higher than 1, revealing a greater workload. It should also be noted that the indicator is very close to 1 for five resources, underlining an overall coherence between the declared workload and the contractually-established working hours. Nevertheless, of particular interest is “Resource 3”, who appears to work almost 50% more than what his/her contract requires.

Focus: Indicator computation

The starting point for computing the “Estimated MFTE” indicator is the concept of Full-Time-Equivalent (**FTE**), equal to 220. Since **220** are considered as the **total working days** in a year, it follows that the **total working weeks** per year are equal to **44** (5 working days per week of a full time employed resource). By assuming that the full-time employed resource works 8 hours per day, it follows that the working days per week are equal to **4,5**.

The indicator MFTE (Modified Full-Time-Equivalent) for the full-time employed resource results from the product between the number of working days per week and the number of

working weeks and it is equal to **198**. The MFTE indicates the workload (or commitment) at which a full-time employee is contractually subject. The MFTE for the part-time resources has been proportionally obtained. Finally, by dividing the commitment declared by each resource for the MFTE indicator, the Estimated MFTE is derived.

The proposed Insight: for the category of the Personnel, the Insight that has been proposed (and will actually be performed in the subsequent versions of the report) consists of a focus group. A focus group appears to be the most appropriate managerial technique for engaging the employees and, in the same time, for addressing the opportunities and issues that the SWOT Analysis has brought out. Thanks to the creation of a focus group made of the entire personnel, it is possible to develop an action plan with the aim of making the administrative structure updated and capable of providing an answer to the ever-changing requirements of the local Territory. The focus group can represent the first step to move towards a different structure, similar to a “project-oriented” organization, in which the personnel carries out routine tasks together with specific projects or initiatives imposed by the governance. In other words, a new structure can be built so that employees can dedicate a certain amount of their working hours to routine tasks and the remaining ones to specific projects that, depending on the period of the year and the necessities of the governance, have the urgency to be implemented.

An organizational technique such as a focus group allows the ODCEC of Padua to engage its personnel (otherwise limited to perform ordinary activities) and to provide the category with a higher added value.

3.6.3 The collectivity, the Institutions and other Entities

The collectivity, the Institutions and the other Entities which the professional Body relates to represent relevant categories of external stakeholders. The network of relationships that the ODCEC of Padua retains with its external stakeholders allows the professional Body to indirectly achieve its institutional mission.

The available data: as a primary source of information, it has been chosen to focus on the graphic representation of the “Circuito delle Relazioni”, a map showing the Institutions, partners and Entities that the ODCEC of Padua relates to²³. In addition to that, a list of the

²³ Map available online at: <https://www.odcecpadova.it/il-circuito-delle-relazioni>

agreements signed in 2019 has been considered: the ODCEC of Padua has signed seven agreements of different typology during the year 2019.

The elaboration: it has been found relevant to represent the agreements signed by the ODCEC of Padua in 2019 within the map “Circuito delle Relazioni”. The purpose is to have a tool that allows to immediately visualize the areas in which new agreements have taken place and to understand whether the network of relationships with external stakeholders (Institutions, partners, etc.) is expanding or intensifying. Moreover, further breakdowns of the agreements have been proposed, with the aim of identifying the typology of agreements that have been signed and the advantages that derive from them.

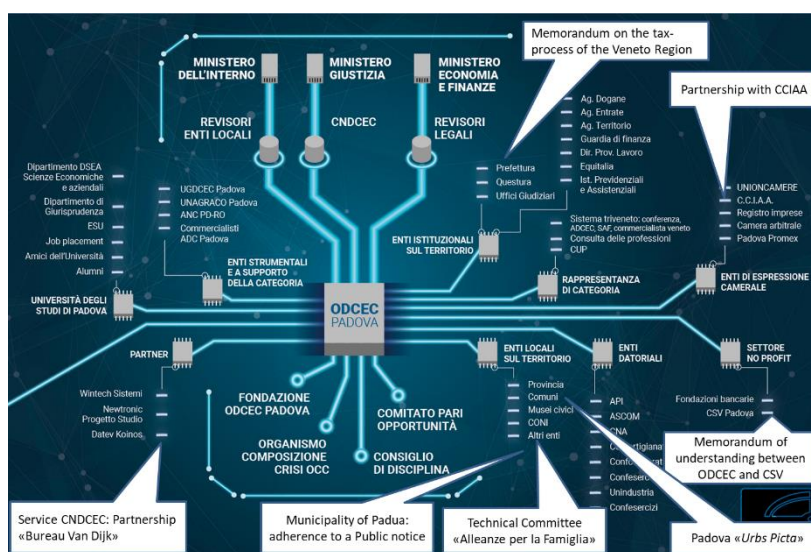


Figure 12: The “Circuito delle Relazioni” and the new agreements of 2019 (personal elaboration)

Figure 12 represented above highlights the seven agreements that the ODCEC of Padua has signed during 2019. In particular, they are:

1. Memorandum on the Tax-process of the Veneto Region (in progress);
2. Partnership with C.C.I.A.A. (“Camera di Commercio, Industria, Artigianato e Agricoltura”);
3. Memorandum of understanding between ODCEC and CSV (Centro di Servizio per il Volontariato)
4. Project - Padova “Urbs Picta” candidate for UNESCO World Heritage;
5. Technical Committee on “Alleanze per la Famiglia”;

6. Municipality of Padua – Adherence to a public notice;

7. Partnership “Bureau Van Dijk”.

The following tables (Table 9, Table 10) represent, respectively, a breakdown of the agreements for “Typology” and for “Area of interest”. Table 9 shows that, 4 agreements deal with the establishment of technical Committees, 1 agreement deals with a partnership for service purposes, 2 agreements deal with adherences to projects promoted at a local level. Table 10, by representing the number of agreements for each area of interest, shows that the majority of them take place in the area of “Local Entities” (3 agreements), underlining the strong relationship that the ODCEC maintains with the Municipality of Padua and the surrounding municipalities.

Technical Committees for collaborations	Service Partnerships	Adherence to projects
Technical Committee «Alleanze per la Famiglia»	Service CNDCEC: Partnership «Bureau Van Dijk»	Municipality of Padua: adherence to a Public notice
Memorandum of understanding between ODCEC and CSV		Padova « <i>Urbs Picta</i> » candidate for UNESCO World Heritage
Partnership with CCIAA		
Memorandum on the tax-process of the Veneto Region (in progress)		

Table 9: Agreements 2019 – Typology breakdown (personal elaboration)

Local Institutional Entities	Chamber-structured Entities	Nonprofit sector	Service Partners	Local Entities
1	1	1	1	3

Table 10: Agreements 2019 – Area of interest breakdown (personal elaboration)

Furthermore, a table representing the advantages deriving from each of the seven agreements is proposed (Table 11). These advantages are linked to specific categories of stakeholders since they affect them in a direct or indirect manner.

Agreements 2019	Advantages	STAKEHOLDERS INVOLVED						
		Personnel	Community	Professional Bodies	Institutions	Clients	Suppliers	Registered Members
“Alleanza per la famiglia”	<ul style="list-style-type: none"> • Improvement of the quality level of citizens’ life; • Advantages deriving from organizational Welfare; • Local welfare development. 		X		X	X		
Padua “Urbs Picta”	<ul style="list-style-type: none"> • International recognition of the city; • Increase in tourism and consequent economic and social advantages. 		X		X			
Bureau van Dijk	<ul style="list-style-type: none"> • Provision of instruments for research, analysis, evaluation of economic-financial data; • Access to economic and financial data of enterprises and Institutions. 						X	X
Odcec and CSV	<ul style="list-style-type: none"> • Establishment of educational and operating collaborations in the field of self-management in the network of ETS. • To favour the delivery of proposals to CNDCEC and CsvNet about operating procedures. 	X			X			X
C.C.I.A.A. on Corporate crisis	<ul style="list-style-type: none"> • Cooperation on the regulating norms about Corporate crisis; • To initiate processes of training and information for entrepreneurs, associations and professionals about a “new culture” of Corporate crisis. 			X	X	X		X
Adherence to public notice: Experimental projects of social innovation	<ul style="list-style-type: none"> • Supporting and strengthening social innovation; • Improvement of service and welfare quality. 		X		X			
Tax-process of the Veneto Region (in progress)	<ul style="list-style-type: none"> • To identify and spread best practices for the tax-process improvement 				X	X		

Table 11: Agreements 2019 – Advantages and involved stakeholders (personal elaboration)

The proposed Insight: within this focus area, and starting from the available data and their consequent elaboration, the proposed Insight is the elaboration of a questionnaire, a survey or structured interviews to be handed out to specific categories of external stakeholders. The purpose is to find stakeholder-engaging instruments in order to evaluate how the ODCEC of Padua is externally perceived. Such instruments appear to be appropriate to assess the social impact that the professional Body generates on external stakeholders (the target community) and to provide a measure of effectiveness of its activities. For example, a survey elaborated by the ODCEC for the University of Padua (directed to specific Departments, such as Economics and/or Law) may be a valuable instrument for assessing the extent at which the activities of the professional Body are academically known.

3.6.4 The quality of the professional service delivered by the Registered Members

Registered Members deliver a professional service to their clients, intended as both private clients and enterprises. The professional Code of Ethics defines rules, values and ethical principles that each Member needs to observe in exercising its activity and regulates relationships with clients highlighting the concept of “trust”. It has been found relevant to include within the focus areas the quality of the professional service, for a twofold purpose:

1. to verify whether Registered Members’ clients perceive a higher service quality across time;
2. to assess whether clients perceive as an added value the fact that the service is offered by an individual registered at a professional Body.

In evaluating the quality of the professional service, three dimensions are proved to be relevant:

- Ethics: the fact that clients are aware that Registered Members have to follow specific behavioral rules dictated by the Code of Ethics and behave accordingly makes clients expect a fair behavior from them;
- Status: the fact that an individual is registered at a professional Body guarantees clients about the qualitative level of the service that he/she delivers. The qualitative level is, therefore, supported by the “badge” that Registered Members wear;
- The Law: the existence of legal provisions allows and requires citizens to turn to a professional figure that the Law identifies as the only one who can carry out the activities of a “Dottore Commercialista”.

The available data: in this case, the identified primary source of data is represented by the results of a quantitative research elaborated at the CNDCEC's initiative, with the aim of evaluating the impact on the public opinion of the advertising campaign of the "Dottori Commercialisti". The research was based on 1.650 interviews on a sample of individuals in the range of 25-65 years old.

The elaboration: since Registered Members are considered as "specialized mediators" between citizens and the Public Administration, as social partners for economic operators and as part of a Category that supports the economic growth of the Country, it has been found relevant to focus on the quality level of the professional service that they deliver. The primary source of data has been utilized not only to derive information about the individuals' degree of knowledge of the profession "Dottore Commercialista" prior and after the communication campaign (Figure 13, Figure 14), but also to detect the dimensions of analysis mostly related to the service delivered by the Professionals (Figure 15). These dimensions could be the subject of an analysis conducted on a local level by the ODCEC of Padua for evaluating the quality of the service received by the Registered Members' clients.

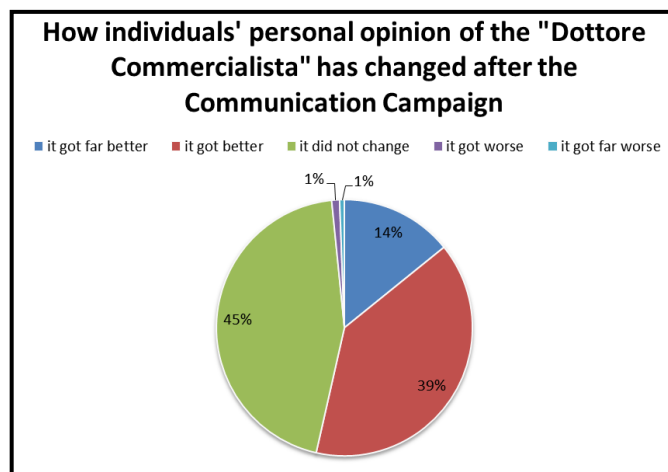


Figure 13: Individuals' opinion after the Campaign (personal elaboration)

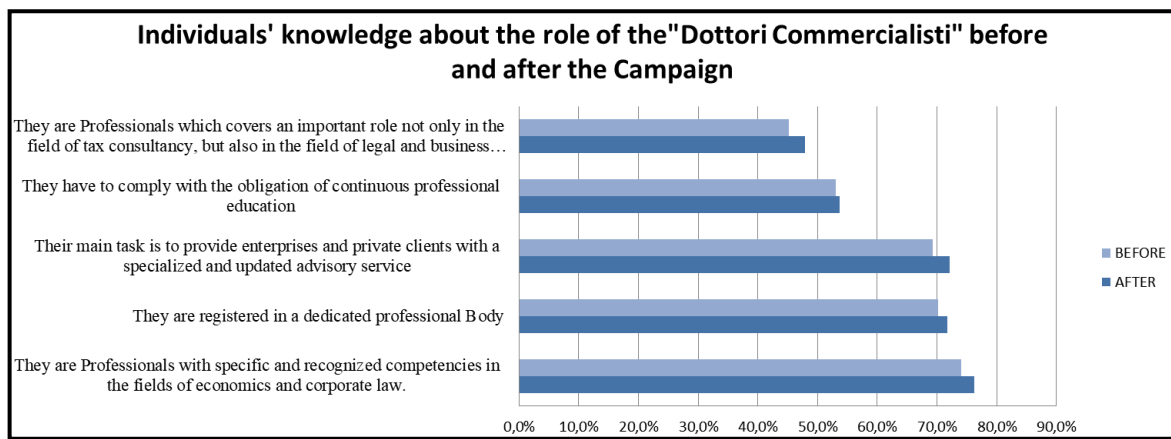


Figure 14: Individuals' knowledge before and after the Campaign (personal elaboration)

Figure 15 (see below) represents the dimensions of analysis in two separate boxes. The box on the left includes those general ones connected with the professional category “Dottori Commercialisti”: Registered Members’ clients may be asked to give an opinion about the extent at which they feel they receive a highly specialized advisory service, they receive a precise and efficient advisory service, the advisor is competent, etc. The box on the right includes the dimensions of analysis connected with the role that the category “Dottori Commercialisti” plays within the Italian economic system. Registered Members’ clients may be asked for an opinion on whether the professional service they receive supports the Italian economy and fosters its development.

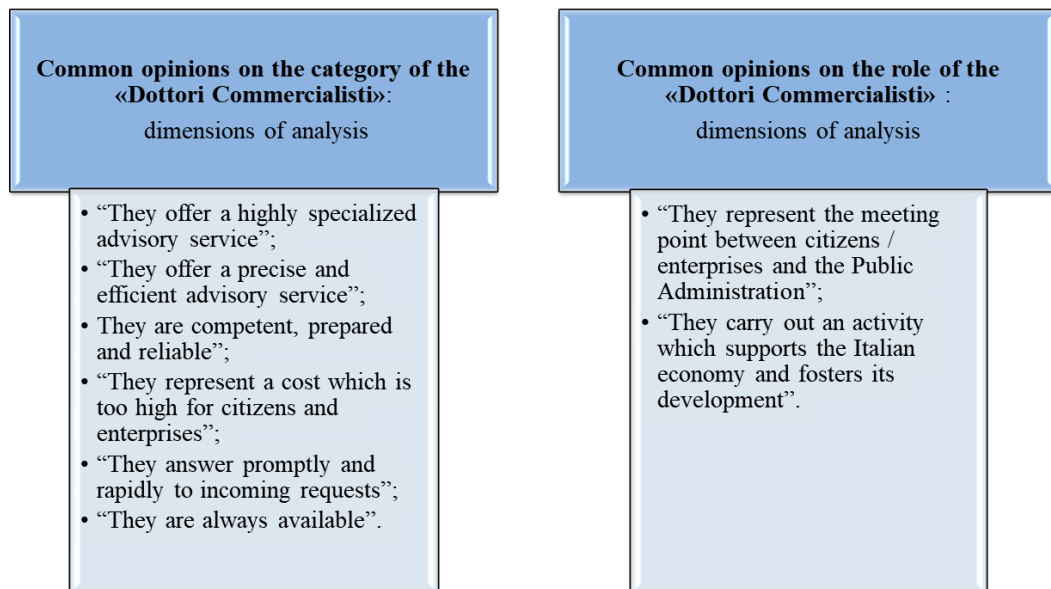


Figure 15: The dimensions of analysis related to the professional service (personal elaboration)

The proposed Insight: in order to detect clients' perception about the quality of the service they are provided with, it is proposed to build a questionnaire based on customer satisfaction metrics. Such questionnaire addresses several objectives. Firstly, it enables to engage the final client, considered as essential by the ODCEC to allow Registered Members to perform their job and realize the institutional mission of the professional Body. Secondly, it enables to detect whether the Registered Members of the ODCEC of Padua are providing clients with a highly specialized and up-to-date professional service. Thirdly, it measures the extent at which clients are actually satisfied by the service they receive, providing, therefore, a measure of effectiveness of the ODCEC's activities. Lastly, it can be used as a measure of social impact assessment: it evaluates the social impact generated by the entity on the target community, here represented by the final clients.

3.7 Evaluating the Social Impact: the questionnaire

The final paragraph of the present chapter deals with a first proposal of questionnaire addressed to the ODCEC of Padua's Registered Members. The questionnaire is considered not only as a stakeholder-engagement tool, but also as the instrument chosen by the ODCEC to evaluate the Social Impact generated on the Registered Members. For instance, the Law requires ETS to integrate their sustainability report with an evaluation of the social impact generated on the target community.²⁴ The questionnaire has been built starting from the certified and scientifically recognized metrics elaborated in the operating field of organizational well-being, in the perspective of CSR (Menegoni F. et al., 2017). The metrics, and in particular the "constructs", on which the questionnaire is based have been adequately adapted into the context of a professional Body, since they were originally born for the purpose of evaluating an employee's well-being within its organization. In the process of elaboration and adaptation of the metrics, the collaboration between the ODCEC and the Pr. Laura Dal Corso of the Department of Philosophy, Sociology, Education and Applied Psychology of the University of Padua has been precious and significant.

Organizational well-being is a multidimensional psychological construct, which includes several dimensions and indicators, which can be called constructs themselves. It has been of critical importance to select those constructs that could be helpful to the ODCEC for detecting

²⁴ Ministerial Decree July 23, 2019 "*Linee guida per la realizzazione di sistemi di valutazione dell'impatto sociale delle attività svolte dagli enti del Terzo settore*".

its Members' well-being. In particular, four psychological constructs have been taken into account: organizational commitment, collective efficacy, authenticity, and job satisfaction (Piccirelli A. and Dal Corso L., 2014). Each of them aims at evaluating the perception of the Registered Member about its professional Body and its involvement into it; they have been considered as the most appropriate dimensions for revealing the relationship between the ODCEC and its Members and are going to be explored in the following lines.

Organizational commitment: it is a multidimensional construct, which refers to the relationship that the single individual perceives with its organization. According to the model of Meyer and Allen, there are three components of organizational commitment. Affective commitment is based on individuals' desire to work for the organization because they are emotionally linked to it. Normative commitment is based on individuals' belief to have a moral responsibility that pushes them to work for the organization to which they belong. Continuance commitment is based on the kind of exchange that exist between individuals and their organization: the more individuals perceive the exchange as favorable to them, the higher will be their commitment. Positive relationships have been found between organizational commitment and job performance, with highly committed individuals showing better performances.

For the purposes of analysis, affective commitment will be the dimension taken into account. Normative commitment and continuance commitment have not been considered as relevant in the context of a professional Body; on the opposite, it appears to be relevant to detect the emotional bond between Registered Members and their professional Body, since those individuals who are affectively committed have a greater willingness to pursue the goals of an organization (here: the ODCEC). Within the dimension of affective commitment, three items out of six will be included in the questionnaire (e.g. "I feel a strong sense of belonging to my professional Body" or "I feel personally attached to my professional Body"). For its measurement, a 6-point Likert Scale ranging from 1 indicating "Strongly disagree" to 6 indicating "Strongly agree" is utilized.

Collective efficacy: this one-dimensional construct takes shape from the concept of "self-efficacy" and enlarges its meaning. Self-efficacy moves from the personal belief to possess all the necessary skills to achieve life goals. Nevertheless, individuals do not carry out tasks autonomously: many of the results they pursue are achievable only through a common effort and by working in group, and the group's success is not only the result of its members'

knowledge and skills, but also of the social interactions and synergies (Bandura, 2000). Collective efficacy can be determined by several factors such as personal characteristics of the group members, characteristics of the job assigned to the group, characteristics of the context and also characteristics of the group itself (such as leadership and cohesion).

In the context of the ODCEC, it is useful to measure well-being in relation to collective efficacy, in order to detect the perception of the Registered Members towards an entity composed by a plurality of individuals. For the measurement of collective efficacy, three items out of six have been selected (e.g. “The ODCEC is always able to successfully realize what Members expect from it” or “The ODCEC is fully able to face change and innovation challenges”). A 7-point Likert Scale ranging from 1 indicating “Strongly disagree” to 7 indicating “Strongly agree” is utilized.

Authenticity: this construct derives from the literature in the marketing field, where it was born with the purpose to measure consumers’ perception towards a brand. Academic literature does not provide a unique definition for this construct, but four dimensions can be identified as part of the construct: continuity, reliability, originality and naturalness (Bruhn et al., 2012). Being the ODCEC comparable to a nonprofit entity, since it does not pursue economic profit as a primary objective, values and ethical principles play a great role in defining its mission and activity. The construct of authenticity aims at addressing the fundamental and genuine values of an organization, to investigate if the organization is attached to them and does not deviate from its original principles. That is critically important for a non-economic public entity like the ODCEC of Padua.

For the measurement of this psychological construct, single items have been chosen following a criterion of significance: one item for each of the four dimensions has been selected. For example, for the dimension of reliability, the item “The ODCEC delivers what it promises” can be included. For the dimension of continuity, the item “I think the ODCEC is consistent over time” can be included. A 7-point Likert Scale ranging from 1 indicating “Strongly disagree” to 7 indicating “Strongly agree” is utilized.

Job satisfaction: it is one of the most analyzed yet controversial psychological constructs. In providing its definition, scholars have conceptually linked job satisfaction to motivation and across time they have provided different theories to explain the elements that cause it. While situational theories assume that job satisfaction derives from the nature of the job and from elements characterizing the organizational context, dispositional theories assume that it is

affected by the individual personality; moreover, taking the social interaction perspective, job satisfaction might derive from the interaction between environmental stimuli and personal attitudes. Job satisfaction is a multidimensional concept, which includes several variables. For example, according to the most typical categorization proposed by Smith, Kendall and Hulin, five dimensions appear to be significant: remuneration, career, colleagues, monitoring and job content. In any case, intrinsic factors are separated by extrinsic ones. The fact that it is composed of more than one dimension, job satisfaction is a construct which is not easy to measure. However, in the measurement process, it has been found useful to consider job satisfaction as related to both specific and detailed work dimensions and job satisfaction in general terms. In this way it is possible to discriminate between aspects generating satisfaction and dissatisfaction, but also to verify whether Registered Members perceive a feeling of general satisfaction towards the ODCEC.

In particular, for the ODCEC of Padua, it is relevant to measure satisfaction in relation to four main activities performed for its Members, which have been found in: training, services offered to the Registered Members, Information desks, services for the profession (e.g. Agreements with local Institutions). In addition, it is relevant to detect the extent at which Members are generally satisfied and, also, the extent at which they are satisfied with their job, in order to find significant relationships. Satisfaction will be measured through a 6-point Likert Scale ranging from 1 indicating “Very unsatisfied” to 6 indicating “Very satisfied”.

The four sections in which the questionnaire is structured are preceded by a **socio-demographic section**, which asks Members to provide personal information relevant for statistical analysis such as: year of registration, section of the professional Register (A or B), age, gender and working condition (Personal Studio, Associated Studio, retired). Overall, five sections become part of the questionnaire, which finally includes 21 items (Table). Additional items might be included, such as an open question asking for improvement suggestions or a question asking Members to indicate in terms of a percentage the extent at which they think that the ODCEC has achieved expected goals planned for year 2019.

Section/psychological construct	Number of Items
Socio-demographic data	5 items
Organizational commitment	3 items
Collective efficacy	3 items
Authenticity	4 items
Job satisfaction	6 items

Table 12: Sections and items of the questionnaire (personal elaboration)

Therefore, the resulting questionnaire, administered online, handed out anonymously and in compliance with the legal provisions regulating privacy issues, includes items about necessary information and knowledge useful to elaborate a significant representation of the Registered Members' well-being. Thanks to their contribution, it will be possible for the ODCEC of Padua to be aware of the way in which the target community perceive its relationship with the professional Body and, therefore, to have a measure of social impact.

The steps following the elaboration of the first version of the questionnaire could take into account a further development of the investigated theoretical dimensions, significant from the perspective of Social Impact Evaluation (VIS), and a check of the psychometric characteristics of the implemented instrument, in order for it to be considered as a useful and reliable tool for annual (or mandate) monitoring, and for verifying the relationships among its different dimensions.

In conclusion, the questionnaire represents a real engagement tool, available to the ODCEC of Padua in relation to its Members, since it ultimately allows the professional Body to get precise operating indications and practical suggestions to support its activities' schedule.

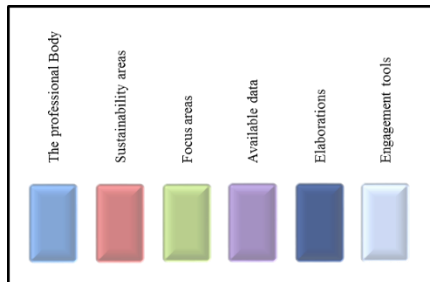
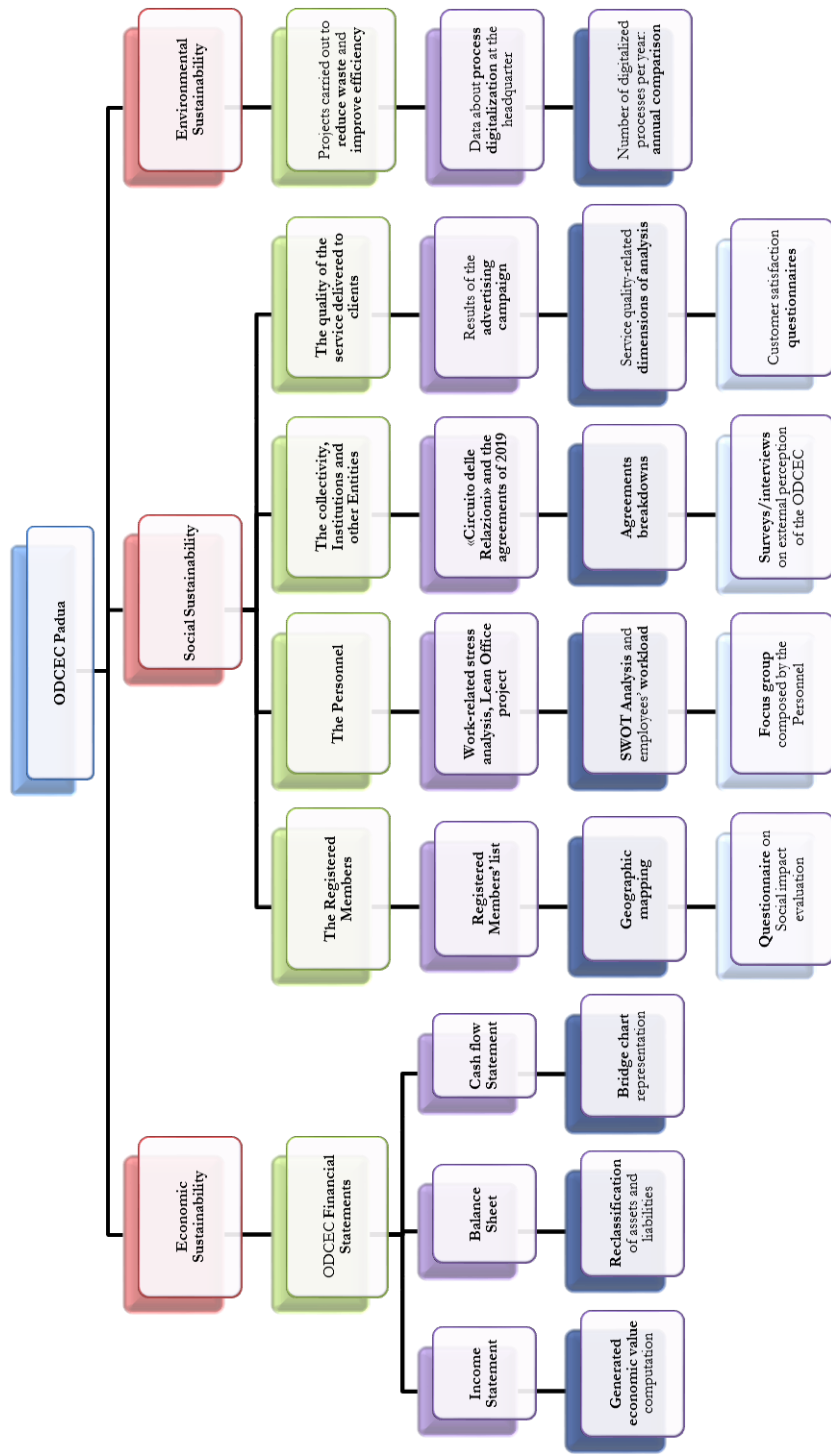
CONCLUSIONS

The present dissertation thesis aimed at building a model for the sustainability report of the ODCEC of Padua. By taking as a reference the legal provisions in the field of sustainability reporting for ETS and the standards provided by the GRI, the model has been progressively elaborated, taking into account the final goal of the professional Body: to provide a communication tool that allows to have information on the entity and to detect the engagement of its stakeholders. Although some methodologies might appear to be weak, as for example the process bringing to material topics' determination, the model includes dimensions of innovation.

A new kind of economy is becoming popular, where customers are provided with memorable experiences, events or activities instead of a standard product or service. It is the idea of "experience economy", which has its roots in the concept of engagement. Engaging customers and making them feel part of the entity is the key to retain them: the ODCEC of Padua recognizes the importance of engaging individuals and the model for its sustainability report contains tools allowing it to build strong relationships with internal and external stakeholders.

The model is suitable for replication: the section of social sustainability highlights four focus areas, which can become a standard for a reporting document of public and market-oriented enterprises too, if appropriately adjusted. A market-oriented enterprise, which operates under a profit-making logic, might turn the "Registered Members" category into "Shareholders", the "Personnel" into "Employees", the "Collectivity and other Entities" into "Suppliers" and, ultimately, the "Quality of the professional service delivered by the Registered Members" into "Customer service quality". In this way, a market-oriented enterprise could recognize its four main stakeholder categories, for which adequate instruments of stakeholder-engagement and stakeholder-inclusiveness could be elaborated.

In conclusion, a comprehensive scheme is proposed, which illustrates the three areas of sustainability in which the report is organized, the related themes (or focus areas), the available data, the related elaborations and, finally, the tools used (or planned to be used) for strengthening stakeholders' engagement.



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ACKNOWLEDGMENTS

I personally consider this dissertation thesis not only as the completion of an enriching educational journey, but also as the starting point for my future professional career, may it deal with sustainability and reporting practices or with completely different topics and operating fields. I would like to express my gratitude

To my professor Giacomo Boesso, for his academic support and his willingness to cooperate and share his knowledge.

To Lorenzo Spinnato and the ODCEC of Padua, its governance and monitoring bodies and all the administrative structure, for their willingness to help me with the provision of relevant data and materials and for the precious recommendations and life lessons they gave me.

To my family, my friends, and all the people I've met during these past years, for inspiring, motivating and reassuring me in good and less good times. Their support and encouragement have been essential during the whole academic period, and, not least, during the elaboration of this work. Thank you for always being there.