

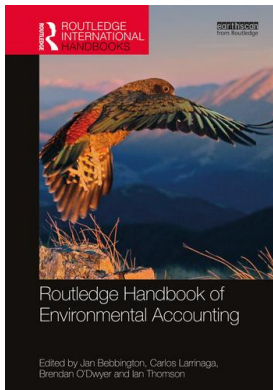
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## **Routledge Handbook of Environmental Accounting**

Jan Bebbington, Carlos Larrinaga, Brendan O'Dwyer, Ian Thomson

### **The accounting profession's environmental accounting and reporting thought leadership**

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Jeffrey Unerman

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## 5

# THE ACCOUNTING PROFESSION'S ENVIRONMENTAL ACCOUNTING AND REPORTING THOUGHT LEADERSHIP

*Jeffrey Unerman*

### **Introduction**

Effective thought leadership, defined as “intellectual influence; innovative or pioneering thinking” (OED 2020), can be a crucial factor in advancing any field of human endeavour. Other chapters in this handbook demonstrate how academic research in environmental accounting has provided such thought leadership through a range of insights and constructive critiques that have advanced accounting and reporting policies and practices. In addition, and based on the definition of a thought leader as “an influential or innovative thinker; a person with intellectual influence over a society or group” (OED 2020), a wide range of individuals and institutions outside academia have also been thought leaders in environmental accounting. This chapter explores some of the accounting profession’s current thought leadership initiatives in this field.

Understanding the accounting profession’s influence is important as it has the potential to make a significant contribution to developments in environmental accounting and reporting policies and practices. As earlier chapters have demonstrated, past thought leadership interventions from the accounting profession have indeed been influential in the development of environmental accounting.

While some current and past contributions from the profession might have been informed by insights from academic research, others do not always have an obvious link to academic research outputs. Regardless, initiatives from the profession have exerted considerable influence upon the shape of environmental accounting and reporting – with potential for considerably more direct influence than academic research – given the extensive networks of policy and practice within which the accounting profession is embedded and their acknowledged expertise in accounting and reporting matters.

This potential for strong influence and impact from the accounting profession's thought leadership is intensified through the profession's apparently greater agility than many in the academic community to engage rapidly with, and drive, major shifts in the context for environmental accounting and reporting that lead to widely adopted innovations in practice. For example, Bebbington and Unerman (2018), O'Dwyer and Unerman (2020) and Bebbington and Unerman (2020) have all observed novel areas of sustainability policy where there have been developments in transformative and innovative forms of sustainability accounting and reporting, but where these new forms of practice have taken a long time to be picked up by academic researchers. From this perspective, there is considerable potential for the accounting profession's thought leadership to identify novel and impactful new areas for environmental accounting academic research. By engaging with the accounting profession, research then has the potential to provide high-quality evidence and critique to improve the effectiveness of the practices we study. A symbiotic relationship can thereby be developed between the contributions of both academics and the accounting profession in continually improving environmental accounting and reporting. This provides a compelling reason for academics to engage with the accounting profession.

This chapter explores some of the accounting profession's current major environmental accounting and reporting thought leadership initiatives, with a focus on such initiatives from the "Big Four" global accountancy/professional service firms and the large professional accounting bodies.

The next section of the chapter will outline how the accounting profession can be and is influential in developing and embedding new environmental accounting and reporting practices, distinguishing between the strong potential for influence from both the Big Four global firms and professional bodies. This is followed by a section that identifies the Big Four's apparent top-level commitments to advancing environmental accounting and reporting, with the subsequent section exploring these issues for a sample of large professional accountancy bodies. A further section explains some of the more enduring and influential collaborative projects that have drawn from environmental accounting expertise across the accounting profession. The final section draws some conclusions.

### **Potential influence of the accounting profession**

Professionally qualified accountants undertake an extensive range of strategic and operational functions across many different sectors and organisational types in the private, public and third sectors. Given the importance of sound financial management to the viability of all organisations, accountants can be found among the senior executives of many. Other accountants working for professional accountancy (or professional services) firms provide a range of advisory services that are relied upon by many of their clients, both large and small, across all sectors. Through this widespread embedding of professional accountants in the decision-making processes of many organisations, policy insights generated and promoted by the accounting profession can have considerable influence.

As a core function of accounting is to provide information that will aid decision-making, professional accountants also have a role to play in providing and evaluating information that aids organisational environmental decisions. Some large environmentally impactful businesses employ teams of sustainability experts. These can include environmental accountants, who may also contribute insights and expertise to environmental accounting policy bodies and networks of which their business is a member. However, many smaller and/or less environmentally impactful (or aware) businesses are likely to lack the resources to have dedicated expertise in

this area. Environmental accounting thought leadership insights generated and disseminated by professional accountancy firms, professional bodies and specialist sustainability accounting networks/policymakers will be important in raising the awareness of these businesses about the significance and potential of environmental accounting for enhancing their environmental and financial performance. This awareness raising can be a key factor in generating growing interest in, and commitments to, environmental accounting.

### The potential for “Big Four” influence

Professional accountancy firms range in size from sole practitioners through to the Big Four. Sole practitioners may focus on providing a range of accountancy-related services to their clients or may specialise in one or a narrow range of advisory services and/or sectors. In either case, most small firms are unlikely to have the resources that larger practices have to contribute significantly to policy development activities. Conversely, the scale of the Big Four global accountancy firms, as shown in Table 5.1, is substantial, equivalent to the world’s largest multinational corporations. They are therefore more likely than smaller firms to have resources to put into substantive thought leadership initiatives in areas commensurate with the nature of their advisory businesses.

Compared to the Fortune Global 500 rankings of the world’s largest multinationals (Fortune Media 2020), Deloitte had slightly higher 2019 revenues than the world’s 243rd largest multinational (China Shipbuilding Industry with US\$46.1 billion revenue), while KPMG was slightly ahead of the 421st largest (Arrow Electronics with US\$29.7 billion revenues). In terms of workforce, Deloitte had a slightly larger global workforce than the 42nd largest global corporation by workforce (Bank of China with 310,000 employees) while KPMG’s global workforce was around the same size as the 83rd largest global employer (Finatis of France with 219,000 employees).

As all of the Big Four firms have revenues on a par with the world’s largest 500 multinational corporations, and workforces on a par with the largest 100 multinationals, even though they do not have external shareholders (instead legally being networks of member firms) they are likely to be subject to many of the types of social contractual pressures that other very large intellectually based multinationals experience. The motivations of these Big Four global firms to put resources into environmental accounting and reporting initiatives are therefore likely to reflect

Table 5.1 2019 relative size of the Big Four accountancy/professional services firms globally

<i>Firm<sup>a</sup></i>	<i>2019 Global revenue (US\$ billion)</i>	<i>2019 Global workforce (thousands)</i>
Deloitte	46.2	312
EY	36.4	284
KPMG	29.8	219
PwC	42.4	276
Total Big Four	154.8	1,091
Average Big Four	38.7	273
<i>Average Fortune 500 (US-headquartered) companies in 2019</i>	<i>27.4</i>	<i>57</i>
<i>Average for Fortune Global 500 companies in 2019</i>	<i>65.4</i>	<i>139</i>

<sup>a</sup> Data are drawn from Deloitte (2020), EY (2020), KPMG (2020) and PwC (2019a).

the complex array of motives underlying any multinational's decisions to devote resources to environmental initiatives. These could be a complex combination of one or more of:

- *Ethical reasoning*, with senior executives of the firms recognising a moral duty to provide leadership in helping the transformation towards zero-carbon sustainable economies;
- *Business case reasoning* recognising a broad range of potential direct and indirect financial benefits flowing from supporting environmental sustainability; and/or
- *A possible desire to deflect attention* from aspects of their operations that attract public disapproval. For large accountancy firms these could include issues such as audit failure, helping large businesses arrange their operations in such a way as to legally avoid paying substantive amounts of taxation, and/or working with clients that may have a high profile for other environmentally and socially unsustainable operations.

As the focus of this chapter is on the provision of insights into some of the accounting profession's current environmental accounting thought leadership initiatives, analysis of possible motives for Big Four firms to champion these initiatives (or a broader critique of the profession) is beyond its scope. However, we should recognise that nowadays in large complex organisations, including the Big Four, narrow financial benefits are unlikely to be a sole motivator to engage in pro-environmental activities.

### ***Public interest remit and influence of professional accounting bodies***

In contrast to the substantial size of the Big Four, professional accounting bodies have much lower revenues and numbers of employees. They are largely non-profit organisations whose thought leadership influence is exerted through the size and range of their membership and the policy networks of which they themselves are members. The International Federation of Accountants (IFAC) is the main global representative organisation for professional accounting bodies. At the end of 2019, it had 175 member bodies from 130 jurisdictions, with a combined individual membership of approximately 3 million accountants (IFAC 2020), giving an average of approximately 17,000 members per professional body. However, some of the IFAC member bodies are considerably larger than this.<sup>1</sup>

In deciding which aspects of public policy they seek to influence through their membership base (and through the networks in which they are embedded) by drawing on their thought leadership work, non-profit professional bodies will have regard to the interests of their members in conjunction with the wide public interest. Indeed, many professional accounting bodies have a formal requirement to undertake their activities in the public interest. For example, the Association of International Certified Public Accountants' (AICPA) mission includes "protecting the evolving public interest" (AICPA 2020). Similarly, ACCA's "purpose and values" include "act[ing] in the public interest" (ACCA 2020). ICAEW has a mission of "creating a world of strong economies together" (ICAEW 2020b) rooted in an enduring obligation from their Royal Charter to act in the public interest (ICAEW 2020a).

Thus, while supporting an accounting profession many of whose members seek to generate (large) financial returns for their employers and clients, professional accounting bodies themselves can be both non-profit membership organisations and required to advance the public interest. Where they see the longer-term interests of the accounting profession (and therefore the interests of their members) and the broader public interest as being served by the development of environmental accounting, they have the scope to engage in thought leadership in this area. They also have potentially significant influence through disseminating this thought

leadership via their members who are in influential positions in many businesses, policymakers and professional accountancy firms.

### ***Cross-profession collaborative environmental accounting projects***

A further channel of influence for the accounting profession's environmental accounting thought leadership initiatives include projects that draw on expertise and insights from across the profession. The Prince of Wales's Accounting for Sustainability Project (A4S) is probably the most enduring and influential of such collaborative bodies that focus exclusively on sustainability accounting. Accountancy Europe is another enduring collaborative project, where sustainability is one of several strands of its activities.

### ***Accounting profession's track record***

Overall, the accounting profession, including the Big Four firms, has a long but patchy history of resourcing thought leadership in environmental accounting and reporting. For example, as highlighted in the introductory chapter (Chapter 1) to this book and Chapter 2 on the foundations of environmental accounting, the ACCA was instrumental in the emergence of environmental accounting as a subfield within accounting research over 30 years ago when they sponsored Professor Rob Gray's report *The Greening of Accountancy: The Profession After Pearce* (Gray 1990). The profession's support for this visionary thought leadership from a pioneering academic working with the profession was largely due to ACCA's Technical Director at the time, Roger Adams, who also established the ACCA's *Environmental Reporting Awards* in 1991 (Bruce 2015). However, this innovative leadership on environmental accounting was not followed with substantive initiatives from other professional bodies or Big Four firms at the time:

... [D]espite the reactions of professional accounting bodies which, with some exceptions, have ignored the area, individual reporting entities have developed new forms of reporting. Although social accounting has been downplayed in the overall research agenda for several years, an examination of the annual reports of the larger corporations would reveal many disclosures recognizable as social accounting information. Similarly, larger organizations are also producing environmental reports, despite the lack of interest in these developments by most of the professional accounting bodies.

*(Mathews 1997, p. 502)*

In face of this prevalent indifference towards environmental accounting from the accounting profession, there was some recognition in the 1990s that greater thought leadership was needed from the profession in this area:

The environment is an opportunity for the accounting profession to demonstrate that it is on top of contemporary issues and that the profession can grasp new opportunities and run with modern issues. The environment will be a challenge, but it is a challenge that accountants are well able to deal with, well able to run with, and well able to demonstrate that it is an issue that they can truly grasp. Accountants have a key role to play in the environmental debate, so that they too can turn around in the future and say "we have made a difference to the world we live in".

*(Medley 1997, pp. 599–600)*

In more recent years, some professional accounting bodies and the Big Four firms have become much more active in environmental accounting and reporting initiatives. As indicated earlier in this chapter, thought leadership in this area from the profession often now addresses contemporary issues that academics have yet to address substantively. Rather than chart the awakening and upsurge of the accounting profession's interest in thought leadership on environmental accounting and reporting (noting that some initiatives over the years are reflected in other chapters in this handbook), the remainder of this chapter will explore some of the main environmental accounting initiatives from the profession that are current at the time of writing.

The most recent annual reviews (or similar documents) of each of the professional bodies featured in this section and the Big Four firms have been reviewed to identify their key environmental accounting and reporting thought leadership initiatives. An important context in which these annual reviews were written was 2019's substantial growth in societal concerns about environmental sustainability, with a rapid expansion of mass protest movements (Hook 2019a, 2019b) amid declarations of a climate and planetary emergency (The Club of Rome 2019).

Although the professional accounting bodies and Big Four are likely to engage in a wider range of environmental accounting and reporting initiatives than disclosed in their annual reviews, materiality judgements in deciding which issues to cover in a limited length annual review are a filter that can indicate which initiatives an entity considers to be its most significant. The next section of this chapter will explore these environment-related initiatives of the Big Four firms, with the subsequent section reviewing professional bodies' commitments, followed by a section outlining some of the initiatives championed by A4S and Accountancy Europe.

### Key “Big Four” global environmental accounting activities

The 2019 global annual reviews of each of the Big Four articulate the role the firms can and do play in helping their clients identify and address sustainability challenges. KPMG has the most prominent commitments in this regard, in disclosing them in the introductory *Leadership Reflections* section of its 2019 Global Review and explaining them in the context of 2019's rising of environmental consciousness:

2019 has been a year of significant volatility — social, political and environmental. We have seen some of the most dramatic climate-related disasters with an unwelcome frequency. It has also been a year in which new generations are stepping forward to make their voices heard and demand changes to our environmental practices. Businesses are taking a lead, innovating in areas including packaging, water stewardship and climate change reduction ... KPMG remains committed to helping each of our clients in addressing the Sustainable Development Goals.

(KPMG 2020, p. 4)

Other firms similarly recognised their roles in helping clients in these areas, albeit not disclosing them in such a prominent location in their annual reviews. For example, while also recognising the importance of these issues for its own operations, for Deloitte:

Climate change, water scarcity, supply chain risks, waste and recycling are challenging the limits of traditional processes and technologies and demanding greater attention from business. As a result, environmental sustainability has moved from being a niche area overseen by specialists to becoming a [board level] priority. Environmental sustainability is now often a consideration in Deloitte client engagements and is increasingly

a critical component of Deloitte's own operations, strategic initiatives and senior-level agendas.

*(Deloitte 2020, p. 26)*

In support of this, a number a number of Deloitte services are outlined that aim to build the environmental management and accounting capabilities of Deloitte clients in the areas of “strategy, resource productivity, risk mitigation, attest services and supply chain” across “energy [including renewables], water, greenhouse gas emissions, plastics, circular economy and supply chain” (Deloitte 2020, p. 26).

Ernst and Young place developments in these types of services firmly in the context of arguments for social justice:

When we look at the world today, we see a huge opportunity to use our skills, knowledge and experience to address some of the toughest challenges of our time – from inequality to climate change to tech-led job displacement – and drive sustainable, inclusive growth.

*(EY 2020, p. 25)*

Wherever they occur around the world, climate shocks hit the poorest in society hardest. The World Bank has estimated that, if global temperature rises continue unabated, it could result in 100 million more people living in extreme poverty by 2030. ... EY remains committed to driving purposeful action that minimizes the negative impacts of businesses' activities on the environment. EY Climate Change and Sustainability Services teams help clients understand and act on the risks and opportunities arising from climate change, innovating in areas such as climate resilience, the circular economy, renewable energy, water accounting and alternative waste treatment. Working with clients to understand the sustainability issues that matter most to their businesses, we evaluate supply chains, conduct materiality assessments, create sustainability strategies, and more – ultimately helping clients reduce costs while unlocking sustainable business opportunities.

*(EY 2020, p. 28)*

The 2019 annual reviews of the Big Four also mention a small number of specific environmental accounting thought leadership initiatives sponsored by the firms. These include, for example:

- An EY report that identified business opportunities in addressing the substantial level of greenhouse gases generated and water consumed by world agriculture at a time when levels of obesity are growing – and the market changes this could lead to;
- KPMG's advisory role to the Task Force on Climate-related Financial Disclosures (TCFD) to help “develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders” (KPMG 2020, p. 4);
- KPMG's work reducing the climate impact of the fashion industry through a joint initiative *Sustainable Fashion: Committing to a Sustainable Future through the Fashion Industry Charter for Climate Action*;
- KPMG's Work on a number of World Business Council for Sustainable Development projects, including those related to the circular economy and using “KPMG's proprietary Dynamic Risk Assessment tool to enrich understanding of the severity,



likelihood, velocity and interconnectedness of environmental, social and governance risks in the food industry” (KPMG 2020, p. 45);

- PwC’s Collaboration with the World Economic Forum on researching and writing its guide *How should corporate boards respond to climate change?*;
- PwC’s collection of evidence “around carbon pricing and what’s needed to achieve the Paris Agreement” (PwC 2019b, p. 2).

### **Environmental accounting thought leadership from the larger professional accounting bodies**

Analysing contents of the 2019 annual reviews (or equivalents) of four large professional accounting bodies (the two largest Certified Accountancy bodies: AICPA (incorporating CIMA) and ACCA; and the two largest Chartered Accountancy bodies: ICAI and ICAEW) identified relatively few significant environmental accounting thought leadership activities other than from ICAEW. Commitments to some of the SDGs, including the environmentally focused SDG 13 (Climate Action), were mentioned briefly by ACCA and across two pages in AICPA’s review; however, ICAEW discussed a broad range of substantive environmental sustainability initiatives in addition to its actions in support of the SDGs. As it appears from the material issues discussed in the 2019 integrated reports or annual reports/reviews of these large professional accounting bodies that ICAEW is taking a clear leadership role among them in advancing environmental sustainability, its contemporary initiatives in this area are the focus of this section as an example of how professional accounting bodies can help to advance these issues.<sup>2</sup>

ICAEW’s 2019 Annual Review contains extensive discussion of the importance of the accounting profession recognising and taking meaningful action on environmental challenges, along with a broader range of social sustainability and responsibility issues. The environmental commitments are encapsulated in the statements that:

We want to strengthen economies and build prosperity in ways that will last long into the future. There continues to be an increasing need for business and economic activity to be sustainable for the long term. ... We recognise that business success is interdependent with both environmental and social responsibility. In that vein, we want to play our part in changing behaviour across the economy to live within its means.

*(ICAEW 2020a, p. 18)*

As a professional membership organisation, we represent a common voice for our members and the profession. We believe that the successful business of the future will be a sustainable business. As a profession we support economic development and prosperity, and as an organisation our vision is to have a net positive impact on the economy, society and environment. ... we recognise that business has a significant impact on the environment, and although ICAEW does not operate in a business sector which causes significant pollution, we aim to promote and follow good environmental practices and reduce the negative impacts of our activities. On an international scale, we convene the debate on natural capital policy in government forums and financial institutions. This includes hosting the Capitals Coalition.

*(ICAEW 2020a, p. 29)*

Environmental sustainability was a topic mentioned in four of the nine thought leadership programmes outlined in the report (the “sustainability”, “public policy”, “one young world”

and the “more than a number” programmes, with issues of social sustainability also covered in several of these programmes).

Key environmental initiatives disclosed as part of ICAEW’s sustainability thought leadership programme include (ICAEW 2020a, p. 18) the following:

- Linking ICAEW’s vision of *A World of Strong Economies* to the SDGs through regarding the SDGs as a clear articulation of the global public interest. In this regard, ICAEW was at the vanguard of the profession’s actions on sustainability when, in 2016, it embedded its strategy in sustainability through the SDGs. In recognising its Royal Charter obligation to always act in the public interest, ICAEW declared that the SDGs represented a broad global consensus on what the “public interest” meant. As such, since 2016, ICAEW’s understanding and strategies towards acting in the public interest have been guided by the need to support achievement of the SDGs. This can be regarded as transformative thought leadership initiative and commitment, providing an exemplar to many other organisations globally.
- Working to position ICAEW as a contributor to the necessary transitioning to a socially and ecologically sustainable economy.
- Hosting the *Natural Capital Coalition* – “a global collaboration of 300 organisations who promote the importance of natural capital, and work to conserve and enhance it” (ICAEW 2020a, p. 18).
- A request from ICAEW’s governing Council “for a plan to make ICAEW carbon-neutral and to build on measures already in place to further reduce our carbon footprint” (ICAEW 2020a, p. 18).
- Launching, with Deloitte, a video-based training programme on climate change aimed at a range of finance professionals.

Among the environmental accounting issues addressed in the other thought leadership programmes were:

- Focusing on accounting and climate change at ICAEW events in the “One Young World” summit held in London in October 2019, an event that convenes a large number of young leaders from many fields across the globe. During the event, ICAEW also hosted an SDG themed dinner for One Young World delegates, spotlighting the profession’s key roles in contributing to achievement of the SDGs.
- As part of ICAEW’s *More Than a Number* podcast series (with a reach of approximately 7.9 million), an episode featuring the Deputy Leader of the UK Green Party discussing “the financial impact of climate change and how well companies are prepared for it” (ICAEW 2020a, p. 21)
- Confronting leading politicians on sustainability issues during the 2019 UK General Election campaign as one of the major challenges that the future government would have to grapple with.

It is clear from the above sample of substantive and innovative environmental accounting initiatives that ICAEW regards positive environmental action as being a key part of the public interest remit of professional accounting bodies. While the other large professional accounting bodies whose annual reviews were analysed for this section provided varying levels of support for environmental accounting initiatives, few of these initiatives were considered significant enough by these bodies to be disclosed in their annual reviews. It will be interesting to see

whether, and if so how, future increasing levels of public concern over environmental degradation lead to environmental accounting becoming a key priority for these other large professional bodies to the extent it has for ICAEW. This section has only provided a partial picture of these issues as it has not analysed the environmental accounting in initiatives of the many other professional accounting bodies. Readers interested in developing a deeper understanding of the public interest environmental accounting actions of any professional body should be able to find this information readily accessible on the websites of those bodies active in this space.

### **Enduring collaborative professional thought leadership projects**

As noted earlier, over the years there have been a number of collaborative environmental accounting projects drawing on a broad range of expertise from across the accounting profession. This section outlines some of the initiatives currently promoted on the websites of two of the most enduring of these projects: A4S and Accountancy Europe.

#### **A4S**

Since the Prince of Wales launched his accounting for sustainability project in 2004, it has drawn on expertise from across the accounting profession to help advance social and environmental sustainability accounting. Given the nature of members of its networks, it is clear that A4S has considerable convening power to influence the development and adoption of pro-environmental accounting practices.

The aims of A4S are (A4S 2020a):

To inspire action by finance leaders to drive a fundamental shift towards resilient business models and a sustainable economy. To do this, A4S has three core aims that underpin everything we do:

- Inspire finance leaders to adopt sustainable and resilient business models
- Transform financial decision-making to enable an integrated approach, reflective of the opportunities and risks posed by environmental and social issues
- Scale up action across the global finance and accounting community.

They have five main communities with whom they work to deliver these aims (A4S 2020a):

- Chief Financial Officers (CFOs) and finance teams
- The accounting community
- Investors, capital markets and the wider finance community
- Governments, regulators and policymakers
- Business schools and academia.

There is a wealth of environmental accounting resources available on the A4S website to support the above communities in addressing A4S's aims. For detailed information, see [www.accountingforsustainability.org/en/index.html](http://www.accountingforsustainability.org/en/index.html). At the time of writing this chapter, the current initiatives listed on A4S's website included:

- Eleven projects focusing on different aspects of sustainability accounting, with participation from leading organisations. These were categorised into four overarching themes (A4S 2020b):

- Lead the way
  - Transform your decisions
  - Measure what matters
  - Access finance.
- A statement of support for achieving net-zero carbon, signed by Chief Financial Officers (CFOs) of 36 major organisations
- Nine practical guides from the A4S leadership network to help organisations engage in sustainability accounting practices. Many of these can also be very helpful to students of environmental accounting as teaching and learning resources. See [www.accountingforsustainability.org/en/activities/a4s-essential-guide-series.html](http://www.accountingforsustainability.org/en/activities/a4s-essential-guide-series.html)
- A knowledge hub providing access to many more social and environmental accounting resources.

### ***Accountancy Europe***

Accountancy Europe (formerly known as Fédération des Experts-comptables Européens or FEE) provides a collaborative space for 51 of the professional accounting bodies in Europe to work together on projects where their 1 million members are likely to benefit from such cross-profession cooperation. Sustainable finance is among the issues in which it is active.

Its website lists nine publications from 2018, 2019 and 2020 related to sustainable finance (Accountancy Europe 2020). These cover topics ranging from the increasing importance of sustainability for SMEs through to issues around corporate governance, regulation and reporting standards.

### **Conclusions**

This chapter has explored the role of the accounting profession in providing thought leadership supporting the development environmental accounting and reporting. While ACCA played a crucial and visionary role in supporting the early development of environmental accounting and reporting, commitments and leadership from other sections of the accounting profession mostly came later (while the ACCA's role has ironically declined).

Today, as we face a planetary climate and environmental emergency, this chapter has provided insights into some of the accounting profession's current commitments to playing a major role in developing environmental accounting and reporting policies and practices. Activities range from helping a range of organisations use accounting to help identify and manage the risks associated with the outcomes of climate and environmental change, while managing the risks and realising the opportunities associated with a transition to a zero-carbon economy.

The Big Four global accountancy/professional services firms are influential in these endeavours both as exemplars (being among the largest global commercial organisations) and through the influence they exert on many businesses and governments in their advisory work. The professional accounting bodies are influential through the size and range of their membership bases and through their recognised commitment to act in the public interest.

In some innovative areas, thought leadership of accounting academics appears to lag behind thought leadership provided by the accounting profession. As our skills and expertise as academics position us strongly to provide in-depth reliable evidence to support effective thought leadership, there are many opportunities for academic researchers to work collaboratively with the profession to provide even more impactful thought leadership in improving the functioning of accounting policies and practices for a more environmentally sustainable world.

## Notes

- 1 For example: The Association of International Certified Public Accountants (AICPA), incorporating the American Institute of Certified Public Accountants and the Chartered Institute of Management Accountants (CIMA), has the largest membership of such bodies globally, with over 431,000 members across 130 jurisdictions (AICPA 2020). This gives it considerable reach compared to the size of its revenues (which in 2019 were US\$319 million) and its workforce (1,211 employees in 2019). Another large certified accountancy professional body, the Association of Chartered Certified Accountants (ACCA), had 219,000 members worldwide and generated £206m revenue (approximately US\$254 million) in its year ended 31 March 2019. Among the largest chartered accountancy bodies are the Institute of Chartered Accountants of India (ICAI) with over 291,000 members and revenue of ₹8,937 million (approximately US\$111 million) for its year ended 31 March 2019 (ICAI 2019), and the Institute of Chartered Accountants in England and Wales (ICAEW) with approximately 154,000 members globally and £105 million revenue (approximately US\$130 million) with 777 employees for its year ended 31 December 2019 (ICAEW 2020a).
- 2 I have to declare a potential conflict of interest here. My role as a co-opted member of ICAEW's governing Council from 2014 to 2021 might have affected my positive view of ICAEW's environmental accounting commitments and initiatives. I have, however, sought to be dispassionate in my writing of this section which is based on environmental accounting issues disclosed in the integrated reports or annual reviews/reports of the four bodies covered. I have also only used publicly available information on ICAEW to avoid risking disclosing any confidential information I have from my role in ICAEW Council.

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