



Sustainability Reporting in Local Governance: An Analysis of the Istanbul Environment Management Company (IEMC) Sustainability Report



Atila Kılıçarslan*

Department of Accounting, Anadolu University, 26400 Eskisehir, Turkey

* Correspondence: Atila Kılıçarslan (klcarslan@hotmail.com)

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Abstract: The concept of sustainability encompasses a wide array of local government entities, including metropolitan, provincial, and district municipalities. In the current era, citizens residing within these jurisdictions assess not only the immediate services provided but also the long-term sustainability of these services. This assessment is facilitated through sustainability reports that address environmental, economic, and social sustainability, and communicate these findings to the public. Such reports provide an in-depth examination of organisational activities and their alignment with global development goals, revealing the value generated for both organisations and society through resource utilisation and needs fulfillment. This study critically analyses the sustainability report of the İstanbul Environment Management Company (IEMC), a subsidiary of the İstanbul Metropolitan Municipality. The analysis reveals that the report adheres to the Global Reporting Initiative (GRI) Standards, emphasising key themes such as transparency and accountability, social impact and responsibility, environmental impact and green practices, economic sustainability, innovation and technological advancements, stakeholder engagement and feedback, as well as sustainability targets and commitments. The findings indicate that IEMC's report contributes significantly to the sustainability efforts of local governments. However, it has been identified that the scope and depth of sustainability reporting among local governments in Turkey are not at the desired level, and there exists a lack of adequate knowledge on this matter. Therefore, new initiatives and mechanisms are required to manage, monitor, and support the sustainability reporting processes of local governments effectively. This study underscores the necessity for enhanced capacity-building and strategic frameworks to improve the quality and impact of sustainability reports in the public sector.

Keywords: Sustainability; Local governance; Sustainability in municipalities; Reporting; Sustainable Energy and Climate Action Plan (SECAP)

1. Introduction

The classical economic approach of maximizing profit with scarce resources is gradually being replaced by the idea of sustainability. The fact that the resources used today and providing economic benefits do not only belong to the people living in the world today, but that future generations also have a share in these resources reveals the fact that a new approach is needed in evaluating the performance of a company/organization.

It is very important to consume resources carefully and transfer them to future generations. The concept of sustainability first emerged from Environmental Science (Özcan, 2022).

Corporate sustainability, which is a company-specific reflection of the concept of sustainable development, is not only a choice but also a necessity not only for private sector organizations but also for companies under the Turkish Commercial Law that are owned or partnered by municipalities.

As a long-standing practice, the practice of evaluating an organization's performance through its financial statements has gained a different dimension over time with "sustainability reporting", which addresses whether the organization will be able to exist in the future. In this framework, a process has emerged in which practitioners, managers, and all stakeholders are included in the assessment and informed.

The question of whether the profitability level of a company can be considered alone in the evaluation of its performance reveals the need for new approaches in performance evaluation. For example, how effective a performance indicator can it be to prioritise the profitability of a company that pollutes the environment and does not take any measures (treatment plant, etc.)? It is clear that the current profitability level of an enterprise that protects its environment and extends its life span as a natural consequence of this will be lower than that of another enterprise that does not take these measures. Therefore, it is necessary to include all factors (life span, social contribution, etc.) in the performance evaluation of companies that are considered to have an infinite life span and to adopt an approach to determine the value of companies accordingly.

From this point of view, it will not be sufficient to analyse only the financial situation and financial statements when evaluating the current performance of local governments. In addition to these, it is also necessary to evaluate the policies to be implemented by local governments that use the natural resources in the geography where they are located and employ the labour force in order to ensure their existence in the future. This leads us to the issue of sustainability in local governments and its reporting.

While it initially continued as the reporting of disclosures related to demonstrating the environmental sensitivity of enterprises, sustainability reporting, introduced by John Elkington for the first time as a new approach called "Triple Bottom Line" (TBL) that advocates a balanced consideration of the economic, environmental, and social objectives of businesses, has evolved into a more comprehensive reporting period (Aras & Sarıoğlu, 2015). This system, called TBL - Triple Performance Level, is also referred to as the 3Ps: Profit, People, Planet. Thus, according to Elkington, a company that produces TBLs will have taken all costs into account (The Economist, 2009).

The importance of sustainability for people's economic and social needs has been revealed with TBL, which emerged in order to eliminate the deficiency caused by focusing only on environmental sustainability.

As a natural consequence of this, three main themes of sustainability have been addressed in the studies carried out within this scope, and this perspective has become the basic practice in this field.

Although there are basically three important topics in a sustainability report, environmental issues are at the top of the list. How much importance an enterprise attaches to environmental issues in the process from the beginning of the procurement process to the stage of obtaining the product, to what extent it is sensitive to these issues, and what are the environmental policies adopted by the enterprise are included in the sustainability report. Environmental issues may also be subject to an independent audit within the scope of the audit of financial statements, especially for high-impact businesses. However, it is observed that there are no reviews, explanations, and opinions on this issue in independent audit reports for our country yet (Özerhan & Sultanoğlu, 2018).

In 1997, the GRI was established by the Coalition for Environmentally Responsible Economies in the US and the Tellus Institute, with the support of the UN Environment Program.

Sustainability Reporting Guidelines were first published by GRI in 1997. GRI conducts studies to support sustainability reports in order to create more sustainable organizations on the one hand and to contribute to sustainable development on the other (Özerhan & Sultanoğlu, 2018).

Although the issue of sustainability reporting has been studied more in our country in recent years, it needs to be evaluated to determine whether this issue is sufficiently known and the level of study, especially in local governments. In this study, the level of sustainability in local governments has been discussed, and an exemplary scope and content evaluation has been made regarding the sustainability reporting of local governments in the context of The IEMC Sustainability Report (2022), which is one of the most recent studies on this subject.

2. Literature Review

Sustainability reports are recognized as the most widely used communication channel by companies for reporting environmental information (Cunha & Moneva, 2016). In the literature, there are limited studies to examine the level of assurance audit required to be performed in order to reveal the content and accuracy of the environmental information presented in sustainability reports.

A review of the literature reveals that while metropolitan governments conduct studies on budget sustainability, they lack sustainability reports (Akan & Şendurur, 2023).

Although the issue of sustainability in the public sector is less common than in the private sector, there has been a recent increase in the number of studies on sustainability reporting.

Guthrie & Farneti (2008) analyzed the alignment of seven Australian government agencies' voluntary sustainability reporting practices with the GRI G3 Guidelines and the GRI Public Sector Supplement (2005) and concluded that sustainability reporting in public sector organizations is at an early stage. The analysis revealed that despite the different practices, the same guidelines were used as a basis and that there was inconsistent use of some of the GRI indicators in the sustainability reports assessed.

Lodhia et al. (2012) performed a study analyzing the sustainability and annual reports of 19 institutions (in the Austrian Commonwealth) for the financial period 2007-2008. It is observed that the assessments in the analyzed reports were based on environmental indicators (GRI G3 Guidelines). Within the scope of the study,

organizations of varying scales were examined, but it was found that the differences between organizations were not present in sustainability reporting practices. In addition, it has been determined that the main issues addressed in the reports are biodiversity and energy issues.

Greiling et al. (2015) investigated the extent to which sustainability reporting guidelines in light of GRI are implemented by public institutions in three countries (Switzerland, Germany, and Austria) in order to meet societal demands and expectations. Although all three of these countries speak German, there is no obligation for sustainability reporting in these countries. In addition, GRI guidelines are not an official standard in these countries. However, it was observed that the sustainability reports issued by public institutions in Austria, Germany, and Switzerland are in line with the GRI guidelines. However, there are clear differences and discrepancies in the information declared on environmental sustainability, economic sustainability, and social sustainability.

Dumay et al. (2010) investigated whether the GRI guidelines are applicable to the sustainability reporting of public institutions and organizations. An important finding of the research is that the GRI guidelines' approach to sustainability is managerial (an ecological and eco-justice-based approach), which inherently introduces assessment error. Another important finding is that sustainability in public institutions is not practiced with the same interest and desire as in the private sector.

In the study conducted by de Oliveira Bellini et al. (2019), sustainability reports of public institutions and organizations (2011-2017 period and 177 samples) were examined, and it was determined that sustainability reports disclosed in GRI infrastructure increased over time. However, it was determined that this increase was not sufficient, and the number of sustainability reports issued by public institutions and organizations was only 1.8% of the total number of reports. While the United States is the country with the highest number of disclosures, Australia is the country with the highest number of disclosures by state-owned companies.

Greco et al. (2012) conducted an international study and comparatively assessed the extent to which culture influences the adoption of sustainability reporting. The data guiding the study were collected from semi-structured interviews with managers and accountants from ten local councils, half from Australia (Victoria) and half from Italy (Tuscany). The findings revealed that practitioners determine the reporting framework according to what sustainability means to them rather than general policy frameworks in determining the scope and boundaries of sustainability.

Roberto et al. (2020) analyzed the non-mandatory sustainability reports of several municipalities in Italy by comparing them with the GRI-G4 guidelines using the content assessment method. As a result of the study, an important finding was that only 27.82% of the information in the sustainability reports showed low compliance with the standards in the GRI-G4 guidelines.

Why is the number of sustainability reports issued in the public domain and the quality of these reports not at the desired level? Farneti et al. (2019) and Manes-Rossi et al. (2020) consider that one of the main reasons for this problem is the lack of legislation.

The literature study has shown us that an acceleration in sustainability has been achieved all over the world, especially in local governments. In this framework, the necessity of examining a case study of municipal companies, which have an important place in our country, on this issue is obvious. One of the main reasons for methodologically examining a single case study in this study is that there are not enough studies on this subject to make a general evaluation. This situation has led us to a sample case study and made us think that this would have an encouraging effect on other practitioners.

3. Concept Framework for Sustainability in Local Governments

The GRI was created in 1997 by the Coalition for Environmentally Responsible Economies and the Tellus Institute in the United States, with support from the United Nations Environment Program. GRI published its Sustainability Reporting Guidelines for the first time in 1997. GRI promotes sustainability reports to help organizations become more sustainable and contribute to sustainable development (Özerhan & Sultanoğlu, 2018).

Sustainability in municipalities can be defined as the appropriate identification of economic, social, environmental, political, and institutional elements by paying attention to local factors and the effective use of these elements by municipalities as local government units.

Municipalities provide services that affect all stakeholders living in the area they are responsible for, and it is clear that it is very important that these services are sustainable. Providing these services in a transparent manner is closely related to the efficiency and effectiveness of the services.

Municipalities have a responsibility to inform the public about the economic and environmental impacts of their services. This responsibility reflects an approach to reporting that includes not only economic and environmental responsibility but also social responsibility.

Sustainability reports provide information on global development goals and examine the work of municipalities in detail, serving as a document that shows which resources are used where, how, and to meet

which needs. These reports take a holistic view and demonstrate the value created by municipalities and their stakeholders.

Sustainability reports should be prepared in accordance with certain standards in order to maintain transparency and enable companies in the same sector and local governments to make comparisons with each other. The most well-known of these reporting standards is shared by GRI. With this standard, which also includes stakeholder analysis, it can be assessed whether stakeholders' opinions about companies and local governments are taken into account (Özerhan & Sultanoğlu, 2018).

Municipalities may prefer to conduct *Sustainable Energy and Climate Action Plan (SECAP)* studies instead of preparing a sustainability report. These different approaches are favored depending on the specific needs, resources, and objectives of municipalities.

For waste management organizations such as IEMC, preparing a sustainability report is a critical step in balancing the environmental, social, and economic aspects of their operations and taking into account the needs of future generations. Sharing the impact of its activities on society through reporting provides transparency and accountability in the process of fulfilling its responsibilities towards society. In addition, reporting sustainability activities on issues such as waste management facilitates compliance with legal regulations. Preparing a sustainability report enables them to understand their current situation and develop sustainability strategies by identifying areas where improvements can be made.

Currently, sustainability reporting is not mandatory but voluntary for local governments in Turkey. The study prepared by the Union of Marmara Municipalities (UMM) on sustainability reporting has attracted considerable attention in the literature review. By 2020, the UMM Sustainable Development Goals (SDG) Embassy was established to raise local awareness of the United Nations SDG and support the activities of member municipalities.

The Union conducted a questionnaire survey with the aim of raising the awareness of member local governments on the issue and supporting the work on sustainability identified by local governments by revealing the work done. The report titled "Localization of SDGs: The Case of the Marmara Region" was presented to the public in 2022. The report is based on the results of a survey conducted in 12 cities in May-June 2021. According to the results of the study, 106 local governments responded (Union of Marmara Municipalities, 2022);

- In 6% of the municipalities participating in the study, it was observed that employees had knowledge about SDG, and 32% of the municipalities had employees who had carried out or will carry out activities related to SDG.

- It is understood that 37% of the municipalities within the scope of the study have internal awareness-raising activities on SDG.

- The number of municipalities where the national/international declaration or 2030 agenda has been adopted by senior management or the council is 5% of the participating municipalities.

- The number of municipalities issuing reports on SDGs is 3% of the participating municipalities.

- The proportion of those who have prepared a strategy, policy document, action plan, or roadmap on the SDGs adopted by the senior manager or local government council is 14%.

- While 53% of municipalities utilized SDGs in the preparation of their strategic plans, 51% of municipalities linked the indicators or targets in their strategic plans to the SDGs they utilized.

- "Sustainable Cities and Communities (SDG 11)", "Healthy and Quality Life (SDG 3)", and "Quality Education (SDG 4)" are the SDGs that are generally prioritized in municipal strategic plans.

- The rate of municipalities participating in national-level activities is 34%.

- Public and private sector institutions and non-governmental organizations are the most frequently collaborated institutions and organizations for SDG implementation.

- The lowest level of cooperation is with international organizations.

This study has been promising for the development of sustainability reporting efforts by local governments in Turkey.

When the sustainability reports realized by local governments in Turkey are evaluated, the existence of action plans in general draws attention. However, it is observed that a very low proportion of these studies, which can be considered within the scope of a climate action plan, have been expanded and turned into sustainability reports.

As is known, it is not mandatory to prepare sustainability reports in Turkey. However, it would not be correct to say that the number of local governments preparing such reports is low. Sustainability reports are available in different forms, such as climate/energy action plans. Some municipalities prepare these different forms instead of sustainability reports.

The issue of sustainability first entered the agenda with sustainable development. Sustainable development can be expressed as the macro dimension of sustainability. A nationally established idea of sustainable development will support local governments to take more accurate steps in this regard.

3.1 Sustainable Development

The concept of sustainability has a very wide scope. In addition to issues such as the decline in the diversity of living species and climate change, many issues such as poverty, health problems, vulnerable groups, and sustainable cities are addressed in this field. The concept of sustainable development, which is one of the most researched topics today, started to be adopted with the idea of "Agenda 21" carried out by the United Nations Conference on Environment and Development in 1992, and emerged in the "Our Common Future" report published by the World Commission on Environment and Development in 1987 (Erbay & Özden, 2018).

Sustainable development is defined as development that meets the needs of present generations while not jeopardising the ability of future generations to meet their needs (Cansever, 2021).

The concept of sustainable development has been on the agenda of our country since 1996, and this concept has been one of the main concepts guiding the 10th Development Plan.

The "2030 Agenda for Sustainable Development" was adopted at the 2015 United Nations (UN) Sustainable Development Summit, where 193 countries with a voice in sustainable development agreed. The 2030 Agenda is considered an agenda that is intended to go beyond the Millennium Development Goals, which address environmental, economic, and social sustainability issues while at the same time recognizing that poverty can be overcome through sustainable development.

In the 2030 Agenda, it was assessed that all countries in the world should act together to reduce poverty and increase prosperity by protecting cultural and social values and eliminating practices that negatively affect the environment. This new approach includes economic growth, increase in employment, increase in industrialization, and technological progress, in addition to social and environmental issues and ensuring equality in all areas of society.

A total of 17 SDGs has been defined under the 2030 Agenda with the aim of making development more sustainable across the entire planet.

The main objective of the SDGs is to work to ensure that no country or person is left behind in the development process, with the slogan "leaving no one behind" during the 2015-2030 period.

The total number of targets set by the SDGs is 169. The SDGs, which have a more comprehensive content than the MDGs, cover environmental, social and economic sustainability issues that constitute the content of sustainable development. Adopting the goals of eliminating inequalities, strengthening economic growth and employment, improving cities and settlements, ensuring industrialization, protecting oceans and ecosystems, producing and consuming energy more sustainably, combating climate change, promoting sustainable production and consumption, and strengthening human rights, the SDGs are built on the success and progress momentum of the MDGs (Presidency of the Republic of Turkey Strategy and Budget Directorate, 2019). Below are the SDGs (Figure 1).



Figure 1. Global goals for sustainable development

Within the concept of sustainability, which is classified under the main headings of environmental, economic, and social, environmental sustainability can be defined as the capacity of a region to preserve its environmental functions, while social sustainability is defined as the ability to ensure that welfare (security, health, education) is distributed fairly across social classes and genders. In contrast to environmental and social sustainability, economic sustainability focuses on the capacity of an economic system to grow continuously and produce the highest added value.

As a result of the policies to be put forward as a result of sustainable development, institutions and organisations will prepare sustainability reports. However, especially small-scale local administrations prefer to conduct SECAP as a more concise study instead.

3.2 SECAP

Sustainability reports, which include global and regional development goals, examine the practices of municipalities in depth and identify the total value created by municipalities and their stakeholders by taking a holistic view of how resources are used to meet their needs.

Local governments, especially municipalities, have the ability to fulfill their duties and responsibilities in the areas for which they are responsible and to make efficient and value-added investments by using all of their assets within this framework. This ability encourages investments with a positive environmental impact, particularly renewable energy investments. Through the instruments to enable these investments, local governments can increase the demand for renewable energy and/or purchase it from regional networks by providing technical verification and promoting energy efficiency. This form of governance is also based on restructuring and institutional innovation. Awareness-raising among public officials and comprehensive communication between different departments are key measures to implement SECAPs and move towards sustainability (Andreadidou et al., 2018).

As mentioned above, municipalities may prefer to conduct SECAP studies instead of preparing a sustainability report. These different approaches are favored depending on the specific needs, resources, and objectives of municipalities.

3.3 Sustainability Report

Traceability and measurability are two necessary parameters for businesses to internalize sustainability. And these parameters can be achieved through sustainability reports. While companies used to prepare only financial and annual reports in the past, with the preparation of sustainability reports, the link between non-financial performances and financial performances has started to be established. While preparing the sustainability report, transparency should be ensured while showing social and environmental performances. Establish a reporting framework and provide the company with a reporting policy. Sustainability reports help businesses monitor their progress towards the goals they set, implement environmental strategies easily, create more awareness internally on environmental issues, articulate the business message, increase creditworthiness through transparency, achieve cost savings and productivity gains, increase business reputation and business development opportunities, and create competitive advantage (Akan & Şendurur, 2023).

For waste management organizations such as IEMC, preparing a sustainability report is a critical step in balancing their activities in terms of environmental, social, and economic aspects and taking into account the needs of future generations. Sharing the impact of its activities on society through reporting ensures transparency and accountability in the process of fulfilling its responsibilities towards society. In addition, reporting sustainability activities on issues such as waste management facilitates compliance with legal regulations. Preparing a sustainability report enables them to understand their current situation and develop sustainability strategies by identifying areas where improvements can be made.

Another issue that should be mentioned here is integrated reporting, where financial reporting and sustainability reporting take place together. It would be an incomplete assessment to fully evaluate the present and future of a company if only sustainability reporting or only financial reporting were independent of each other. In this context, it is clear that a new reporting trend that integrates these two reporting methods will be highly studied in the very near future.

Especially in local governments, analyses of the environmental situation are as necessary as analyses of the financial situation. Presenting the information related to these analyses in a single report will increase interest in integrated reporting.

4. Istanbul Example: IEMC Sustainability Report

IEMC was established in 1994 to effectively provide waste management and environmental services to protect and improve the health and environmental well-being of people living in and around Istanbul. IEMC provides a

wide range of services, from landfilling to recycling and composting, from environmental cleaning to industrial waste management.

While contributing to the fight against climate change by investing in environmentally friendly technologies and increasing energy efficiency, IEMC converts waste into energy and utilizes the waste generated as a result of processes in accordance with circular economy principles.

The company's climate change and sustainability efforts are coordinated by the Energy Coordination Department under the Assistant General Manager of Energy Management and reported to the Board of Directors by the General Manager. Considering the pace of development in the field of sustainability, it may be necessary to consider the establishment of a specialised working team and unit.

Within the scope of the study, the 2022 Sustainability Report of IEMC Istanbul Environmental Management Inc. was analyzed. The report, which covers their activities between January 1, 2022, and December 31, 2022, includes their sustainability strategies, goals, progress in environmental, social, and governance (ESG) areas, as well as their outstanding financial performance.

When the sustainability report of IEMC was examined, it was seen that it was prepared in accordance with the GRI Standards and that the main topics such as transparency and accountability, social impact and social responsibility, environmental impacts and green practices, economic sustainability, innovation and technological developments, stakeholder participation and feedback, sustainability targets and commitments were emphasized in its content.

4.1 Sustainability Report

According to the Municipal Law, municipalities, which are established to meet local common needs, carry out a significant portion of their activities to improve the welfare of the people living in their areas of responsibility through municipal companies that they own or have become shareholders in, especially in the last 20 years.

Municipal companies, which undertake a very important mission within this framework, provide a wide range of services, from waste collection to landscaping, from sports activities to social facility management, from drinking water to bread production, in order to facilitate the lives of citizens and to provide better quality services at a cheaper price.

Considering both the economic and sociological dimensions of the services provided, it is clear how important they are. However, in addition to these positive aspects, municipal companies, which operate as organizations that use both public and social resources, need to analyze and report their activities in terms of sustainability with the limited resources they have.

In order for these companies, which mainly carry out environmental, waste collection, energy, and infrastructure activities, to be able to continue their activities in the future, to use the financial and natural resources they use in a measured and careful manner without consuming them, and to ensure that future generations can benefit from these resources, sustainability is one of the primary activities to be carried out.

In this regard, The IEMC Sustainability Report (2022), which is the basis of our article, has been examined as a rare and up-to-date study on sustainability and presented as a study to encourage other municipal companies to work on this issue.

The report is organized under the following sub-headings: Introduction, Corporate Profile, Strategy and Governance, Environmental Performance, and Social Performance.

After the summary of the report in the introduction section, similar to the executive summaries in the classical reporting format, the message of Istanbul Metropolitan Municipality and the message of the IEMC General Manager are included.

The report focuses on gender equality targets in IEMC's management structure in line with an approach that adopts the principles of corporate transparency and accountability. While 15% of board members are women, a similar rate is observed among executives. Among the 21 issues prioritized by the company, there are 7 high, 12 medium, and 3 low-priority issues. Their four strategic goals include reducing waste, strengthening the financial cycle, improving operational efficiency, and providing quality services for the environment. In addition, IEMC holds 7 certificates, strengthens stakeholder relations with 6 organizations, and conducts more than 10 R&D projects. As the company moves forward with digital transformation projects, it is based on adopting the ethical principles of the Istanbul Metropolitan Municipality.

During the prioritization analysis phase, various topics were identified by the sustainability working group within the scope of the SDG, then categorized in 3 categories and a separate questionnaire was prepared for internal and external stakeholders. In the survey, stakeholders were asked to rank the issues according to their importance, and high, medium, and low priority issues were identified.

It is seen that the main topics of the report are formed with the determined subject headings, and relevant data is added in a certain order.

In this section, the company's sustainability goals and strategic targets are outlined. Additionally, data on target indicators for the past three years (2020, 2021, and 2023) is included, along with access links to company

policies and documents, demonstrating a commitment to transparency.

In the environmental performance section, it is mentioned how the main areas of activity of the company are managed in line with sustainability principles, and it is referred to the fact that waste-to-energy processes make a significant contribution to providing clean energy to the country in addition to disposing of waste.

The contents of all topics within the scope of integrated management system practices are included, and it is mentioned how IEMC integrates sustainability into its activities.

In the social performance section, it was mentioned that IEMC forms the basis of success and development with its sustainable and qualified human resources, offers its employees a fast, flexible, transparent working environment by encouraging creativity, initiative, result orientation, and sense of responsibility, enables creative ideas to emerge by bringing together different perspectives and know-how, has sustainably adopted a high performance culture, and acts with a sense of responsibility towards society while creating a peaceful working atmosphere in line with these values.

In addition, the sensitive approach to employee loyalty, the impact of training and development on the company's progress and occupational health and safety, and the importance they attach to customer satisfaction in these processes were mentioned in detail.

Traceability and measurability are two necessary parameters for businesses to internalize sustainability. And these parameters can be achieved through sustainability reports. While companies used to prepare only financial and annual reports in the past, with the preparation of sustainability reports, the link between non-financial performances and financial performances has started to be established. While preparing the sustainability report, transparency should be ensured while showing social and environmental performances. Establish a reporting framework and provide the company with a reporting policy. Sustainability reports help businesses monitor their progress towards the goals they set, implement environmental strategies easily, create more awareness internally on environmental issues, articulate the business message, increase creditworthiness through transparency, achieve cost savings and productivity gains, increase business reputation and business development opportunities, and create competitive advantage. (Şahin et al., 2018).

4.2 Compliance with GRI Index

İSTAC's sustainability report has been carefully prepared to emphasize its compliance with the GRI Standards. The report indicates its sensitivity to compliance with GRI standards, with an index added at the end. With this approach, it aimed to transparently present details that demonstrate that the report meets and complies with the GRI standards. İSTAC's sustainability approach and meticulousness in the reporting process are indicators of its compliance with GRI standards, and we have tried to emphasize this important detail in the company's reporting process.

GRI standards have standard series with subject, sector, and universal focus. The IEMC Sustainability Report (2022) is generally handled within the framework of these standards, may be slightly improved, and may contain additional explanations on sectoral standards and analyses.

5. Conclusion and Recommendations

There are many international frameworks and action plans that deal with the concept of sustainability, which started to be addressed in 1972 by addressing environmental issues in the first place and expanded by including the issue of social equality in the period between that date and 2015.

Since local governments are the most authorized units of public services provided to citizens living in the areas, they are responsible for, it is very important that these governments adopt SDGs, which are designed to increase the effectiveness of the three main parts of sustainability: environmental, economic, and social sustainability.

It is not possible to realize the SDGs without the contribution of local governments. The localization of SDGs, which basically has two dimensions, will pave the way for local governments to contribute to sustainability. These two dimensions can be expressed as "local governments contributing to the realization of the SDGs with a bottom-up approach through their actions" and "incorporating global goals into the local development policies of cities".

One of the important studies that led to an increase in the interest of local governments in sustainability in Turkey was the study conducted by the Union of Marmara Municipalities in 2021. As a result of the study, it was revealed that the reporting on sustainability in Turkey is not sufficient in terms of scope, and local governments do not have reasonable information on this issue.

It is clear that these and similar studies will make significant contributions to the sustainability reporting of local governments. It is very important to carry out these studies in order to realize environmental, economic, and social sustainability. Therefore, new initiatives and mechanisms are needed to manage, control, and support the reporting process of local governments.

In order to address the issue of sustainability more effectively in local governments, it is considered necessary to ensure the support of the academic community as well as local government associations and other non-governmental organizations. The academic community's studies on sustainability generally focus on the macro level. However, it is thought that supporting local governments academically in sustainable development from the bottom up will accelerate the process.

As mentioned in the literature study, it is obvious that institutional differences are not reflected in the sustainability reports of different organisations and that all organisations report on a general framework. In this framework, municipal companies should prepare reports that reflect their own characteristics. In the case of IEMC, when the sustainability report of IEMC, one of the subsidiaries of Istanbul Metropolitan Municipality, was analyzed, it was seen that it was prepared in accordance with the GRI Standards and that the main topics such as transparency and accountability, social impact and social responsibility, environmental impacts and green practices, economic sustainability, innovation and technological developments, stakeholder engagement and feedback, sustainability targets, and commitments were emphasized in its content.

İSTAC's understanding of sustainability and its meticulousness in the reporting process are indicators of its compliance with GRI Standards, and we have tried to emphasize this important detail in the company's reporting process.

As a result of this study, it has been revealed that local governments in Turkey are still at the beginning level of sustainability reporting. Local governments have limited knowledge and experience on sustainability and need to make significant progress.

In this direction, it is thought that the study will have important contributions, especially in sustainability reporting. This study, which will be an important guide to overcome the deficiencies of local governments in sustainability reporting due to the main reasons such as local governments' lack of sufficient knowledge on sustainability and their service priorities being different from sustainability, will increase awareness of sustainability.

In order for local governments to achieve the desired development, it is essential that all stakeholders (central administration, universities, local governments, and local government unions, and non-governmental organizations) cooperate. In addition to sustainability reports, it is also a necessity for local governments to include all other reports that are on the agenda on a global scale other than sustainability reports, which will contribute to addressing the need for such reporting.

Knowing that the responsibilities of local governments cover not only the present but also the future, it is very important that local governments take action on "sustainable development" and initiate studies to prepare action plans to realise environmental, economic, and social sustainability in the areas they are responsible for.

Data Availability

The data used to support the research findings are available from the corresponding author upon request.

Conflicts of Interest

The authors declare no conflict of interest.

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