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CSR and Sustainability Report for Nonprofit Organizations. An Italian Best Practice

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Abstract. *The purpose of this paper is to analyze the sustainability report for the communication of Corporate Social Responsibility (CSR) in a nonprofit organization. To this aim, an Italian case study is analyzed: the Fondazione Renato Piatti Onlus, a nonprofit organization of Social Utility. In the first part, we analyze the CSR for nonprofit organizations and the sustainability report (also called 'social balance'). In the second part, we present evidence from the case study. The research is exploratory in nature when considering the connection of corporate social responsibility efforts to the nonprofit sector, a qualitative methodology was chosen over quantitative methods. Specifically, the case study was used to show what strategy a nonprofit organization can develop. Nowadays CSR strategies received a growing attention from both businesses and nonprofit organizations but also from the EU which forced large public-interest entities to present a social balance. For nonprofit organizations, applying social responsibility is not a voluntary issue. Nonprofit organizations have an ethical obligation to their stakeholder and to the public to conduct their activities with accountability and transparency. Scholars have increasingly been studying the impact of corporate social responsibility as a business strategy in for-profit companies. However, there is still lack of researches on how nonprofit organizations implement CSR into the strategy. As a consequence of the above remarks, a large part of nonprofit organizations fails to correctly implement a successful long term CSR strategy. The Fondazione Renato Piatti Onlus belongs to that group that has been able to incorporate social responsibility within the organization, then expanding its content into a social report drawn up in accordance with the guidelines of the Italian Agency for the Third Sector.*

Keywords: *communication, CSR, nonprofit organizations, sustainable report, strategy.*

Introduction

Nonprofit organizations are facing a growing accountability challenge in the wake of corporate and nonprofit scandals. They are also facing increased demands for accountability and demonstrated results from the part of funders. This governance challenge has given rise to numerous international efforts to promote nonprofit accountability and transparency. In response to the demands of this new social system, nonprofit organizations begin to wonder what a responsible organization is like, as an exercise of assumption of its responsibilities. For this sector, the starting point of social responsibility is the coherence between the values and the social proposal being done from their action fields: cooperation for development, social, human aid or environment. In the nonprofit sector, we consider transparency and accountability as the great availability of relevant, reliable information about the performance, the financial situation, and the governance of the organization. They are the amount of information that an organization provides to the stakeholders about itself and how honestly and quickly it reveals this information. Nonprofit organizations have an ethical obligation to conduct their activities in a way that is accountable and transparent because normally they work for the community. Nonprofit organizations should convey information to the stakeholders about their missions, the activities, and the decision-making processes. This information should be easily accessible to the stakeholders and should create external visibility, community understanding and trust in the organization, conditions necessary to find donors. Nonprofit organizations work with communities and community donors need to know how their money is used (Gazzola & Ratti, 2014).

In recent decades the social reporting had a significant expansion. This led to defining the relationship between ethics and economics, in order, for companies, to integrate the ethical dimension within their own activities (Maggi, 1992).

We have registered in this framework the birth of numerous study groups for the preparation of social reporting documents (Bandettini, 2006; Orlandini, 2008). In relation to methods/ documents to be used in the social responsibility reporting, the main proposals are as follows:

- The Copenhagen Charter, a management guide to the stakeholder reporting;
- Accountability 1000 (AA1000);
- GRI (Sustainability Reporting Guidelines on Economics, Environmental and Social Performance);
- SA8000 (Social Accountability);

- CSR (Europe Voluntary Guidelines for Action on CSR Communication and Reporting);
- GBS (Social Balance drawing principles);
- Q-Res Project (Centre for Ethics Law and Economics);
- CSR SC Document (Italian Ministry of labor and social policy);
- BITC (Business in the Community);
- LBG (London Benchmarking Group);
- Business Impact.

The term "nonprofit organization" expresses that the organization does not aim primarily to make a profit, in reality, profits are often achieved (Salamon & Anheier, 1997). It reserves to a surplus. However, these profits are not distributed to the shareholders but are usually used to realize the organization's purpose or are retained. Nonprofit organizations exist solely to further a mission, not to enrich a set of people or earn a profit. This mission-driven focus has an effect on how the organization brings in revenue: the organization doesn't want money just for the sake of having it you want money because it can be used to further your organization's mission. There is only one common denominator among the number of different viewpoints (Badelt & Bachstein, 1999), namely to try to consciously distance oneself from the for-profit world of the private sector.

In this study, we highlight the importance of a nonprofit organization to give to the community the correct information on the activity and on the management. Public availability of the financial information of nonprofit organizations is important because the non-accessibility may result in the loss of public confidence. The particular socio-economic function cannot be highlighted effectively using information tools designed to meet the needs of the business. The management for the increase of the collective well-being cannot be valued in economic terms. It is necessary to carry out a process of social information that can be both a public relations tool, communication, dialogue and coordination of the different social areas: the sustainability report. Open access is important for efficient capital flow and for well-informed donation decisions because they have a responsibility to account for their impacts on stakeholders, and in doing so hope to enhance trust, relationships, engagement and improve business processes to yield greater overall sustainable impact.

The paper is divided into two parts. In the first part, we analyze the CSR for nonprofit organizations and the sustainability report like an important instrument of communication. In the second part, we present the evidence from an Italian case study: the Fondazione Renato Piatti Onlus. The Fondazione Renato Piatti is a non-profit organization of Social Utility, made

up in Varese, to design, implement and manage services for people with intellectual and/or relational disabilities and their families. The research is exploratory in nature when considering the connection of corporate social responsibility efforts to the nonprofit sector, a qualitative methodology was chosen over quantitative methods. A conceptual framework is developed from the theory of Corporate Social Responsibility. A case study research design incorporates a structured face-to-face interview with the manager of the Fondazione Renato Piatti to explain why and how the sustainability report is implemented in a nonprofit organization. Pertinent documents are reviewed in order to supplement the structured review. The case study is used to show what strategy a nonprofit organization can develop.

Scholars have increasingly been studying the impact of corporate social responsibility as a business strategy in for-profit institutions, and results frequently indicate benefits to the organizations such as increased reputation, sales, and reduced reputation damage during crises. Little is known about the impact of corporate social responsibility on organizations from the nonprofit sector, however (Waters & Ott, 2014).

Literature review

The acceptance of stakeholder theory (Freeman, 1984) has meant that organizations have had to redefine their competitive strategies and the way they manage social issues since these are evaluated by the public and determine how new groups of subjects judge the nonprofit legitimization. As a result, outside communication represents an important opportunity for the organization to increase its social acceptance and offer its own point of view, supported by information that, as much as possible, is understandable, objective and verifiable.

During last decades the concept of CSR has continued to grow in importance and significance (Carroll & Shabana, 2010). Kim and Reber (2008, p.341) suggest that corporate social responsibility is a “central relationship-building activity within organizations”. There are numerous potential benefits of engaging in corporate social responsibility activities also for a nonprofit organization, for example, increased levels of volunteerism, positivity in the workplace environment, more media coverage, reduced costs, and a better public image. These benefits may create long-lasting effects such as reputation enhancement (Jo, 2011; Kim & Lee, 2011), creating organizational value (Bortree, 2009), and stakeholder loyalty (Gomez & Chalmeta, 2011).

For nonprofit organizations, applying social responsibility is not only a voluntary issue. Nonprofit organizations have an ethical obligation to their stakeholder and to the public to conduct their activities with accountability and transparency (Gazzola & Ratti, 2014). These organizations should regularly and openly convey information to the stakeholder (Freeman, 1984) about their vision, mission, objectives, activities, accomplishments, decision-making processes and organizational structure. Information from a nonprofit organization should be easily accessible to the stakeholder and should create external visibility, public understanding, and trust in the organization, conditions necessary to find donors. For the nonprofit organization, the starting point of social responsibility is the coherence between the values and their action fields: climate change, sustainable development, health, employment, energy, security, environment, etc. In order to build the CSR, the organization has to develop seven areas of interest: people within the organization, stakeholders, mission, and values, transparency, environmental management, communication and social involvement (Vidal, Torres, Guix & Rodríguez, 2005). The development of these areas is especially relevant because it impacts directly on the organization's reason for being. The main reason is that values are the core of these organizations, and they are present throughout the organization. These values are also found in the social responsibility, what forces somehow that the organizations evolve towards their own social responsibility. The dimensions of corporate social responsibility are closely aligned with the goals of many nonprofit organizations that function primarily to serve the public interest (Ferris, 1998). They have a responsibility to account for their impacts on stakeholders and, in doing so, they can enhance trust, relationships, engagement and improve business processes to yield greater overall sustainable impact (Zbucnea, 2013).

According to Meyer, Ferrari, and Zoebeli (2012), a comprehensive way to be transparent is to produce an annual report. The organization can lay out in a more compelling document the highlights of achievements, services and financial records with photos and graphics and make these readily available to the public by posting it on the website (Zainon, Hashim, Yahaya & Atan, 2013).

Corporate social reporting is aimed at influencing people's perceptions about the company (Hooghiemstra, 2000). For this reason, management tends to expose positive news and to hide negative ones. As consequence, social and environmental disclosures are to a large extent self-laudatory (Hackston & Milne, 1996).

As Bebbington, Larrinaga, and Moneva (2008) state, CSR reporting consists of either the production of information in annual report and accounts package (with both voluntary and mandatory information) or the production of stand-alone reports (that are most usually, but not always, voluntary).

The term "balance" can take different meanings, depending on the purpose for which this document is drawn up and of the objects that have been taken into account. In academic literature, various categories of balance exist: forecast balance, balance sheets, consolidated financial statements, social balance. In Business administration, social balance is the document that clearly and transparently illustrates the socio-economic results achieved by a company over a given period of time. This document represents the output of a social reporting process.

A different concept for the corporate balance - It represents a summary of business management from an economic and financial point of view. This document expresses usefulness to all stakeholders but is limited to economic and financial aspects. It also does not represent a tool for the full knowledge of business management.

As Vermiglio (1984) states, the term "balance" is improper because "social balance", although it is a final document, does not have the same characteristics as the statements for the financial year. The term "balance" comes from "balancing" i.e. equalizing two quantities; In the social sphere, it is difficult to balance social costs with social revenues. The same opinion is expressed by Hinna (2002) who argues that "social" and "balance" express concepts that cannot be approached. "Social" refers to quality while "balance" refers to a quantity (accounting). There is no a single vision by scholars about the content of the social balance. Nonetheless, Rusconi and Dorigatti (2004) list a number of drafting principles: neutrality, coherence, inclusion, linkage to the financial statements.

As evidence of the growing attention to social responsibility themes, on October 2014, the European Parliament and the Council adopted the Directive 2014/95/EU. The Directive will be relevant only to certain companies (large undertaking public-interest entities and public-interest entities which are parent undertakings of a large group). Moreover "the Member States shall provide that the provisions referred to in the first subparagraph are to apply to all undertakings within the scope of Article 1 for the financial year starting on 1 January 2017 or during the calendar year 2017", so this provision will be applicable next year.

The Directive states that “In order to enhance the consistency and comparability of non-financial information disclosed throughout the Union, certain large undertakings should prepare a non-financial statement containing information relating to at least environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters. Such statement should include a description of the policies, outcomes, and risks related to those matters and should be included in the management report of the undertaking concerned. The non-financial statement should also include information on the due diligence processes implemented by the undertaking, also regarding, where relevant and proportionate, its supply and subcontracting chains, in order to identify, prevent and mitigate existing and potential adverse impacts”. The recipients of the Directive are “large undertakings which are public-interest entities and to those public-interest entities which are parent undertakings of a large group, in each case having an average number of employees in excess of 500, in the case of a group on a consolidated basis. This should not prevent the Member States from requiring disclosure of non-financial information from undertakings and groups other than undertakings which are subject to this Directive”. The Directive has considerable importance: it introduces the mandatory preparation of the social balance for certain categories of companies, contrary to the current situation (and in any case until 2017), although it does not define a single framework of reference (very useful for the international comparability) (Amelio, 2016).

Sustainability report for nonprofit organization

Social and sustainability reporting is quite widespread in Italy between for profit and nonprofit organizations (Foundations, Social cooperatives, and Charities). In particular, this situation represents a kind of Italian fashion (Marcuccio & Steccolini 2005).

As Mussari and Monfardini (2010) state nonprofit organizations have to compete first with other non-profit organizations for the provision of services outsourced by the Local Governments, and second, with the same public sector organizations to try to fill the void left by the ‘hollowed out’ LG before it is replaced by its companies.

Until several decades ago for a nonprofit organization it was thought sufficient to declare to be nonprofit; today, instead, there is a general interest that is revealed not only as the sum of the expectations of the individuals with whom the organization has direct relations but also as a collective interest. The nonprofit organization has to incorporate the core

values into strategic plans, work plans, individual performance review processes, and overall program evaluations. The value of a nonprofit organization is impacted by the quality of its relationships with a range of stakeholders. The ability of the organization to communicate effectively, especially with its key stakeholders, can be critical to its long term success, viability, and growth.

All nonprofits provide some type of community benefit (Colombo & Gazzola, 2014); that is why the organization gets the advantage of being a nonprofit entity. Accountability includes ensuring that the organization is effectively providing this benefit service (be it feeding the homeless, protecting the environment, offering a cultural endeavor etc.). Organizations need to evaluate their services impartially and perform a needs assessment of their stakeholder, making changes if needed. This often happens as part of a strategic planning process and it is a critical part of being an accountable organization (Anheier, Haß, Then, Beller & Wehrsig, 2011). The more the organization can assure that is accountable and transparent the more trustworthy the organization will be viewed by the public, donors, constituents, and regulators. Public and donors increasingly want access to the information about an organization's operations and finances as a way of ensuring return on their investment.

Nonprofit organization voluntarily divulge information on their ethical behavior and their relations with the social and natural environment because of the advantages this brings in terms of economics, image and credibility, which increases the global value of the organization. As it is a voluntary document, there is at present no general and single standard for its drafting; thus each organization can choose the format that is closest to its situation and size, choosing from the most common national and international models (Gazzola, 2012).

As a communications document, the sustainability report has an internal and external validity that reveals how the complex interdependence between the economic and socio-political factors has become increasingly more uniform, punctual, complete and transparent, deeply rooted in and consequent on the organization decisions (Adams & Frost, 2008). It seeks to achieve the following objectives:

- give all stakeholders an overall picture of the organization's performance, thereby initiating an interactive process of social communication (Browne & Nuttall, 2013);
- provide useful information on the quantity and quality of the organization's activities in order to broaden and improve, even from an ethical-social point of view, stakeholder knowledge and the possibilities to assess such activities and make appropriate decisions.

From the internal point of view, this document highlights the functions of internal management and mission reinforcement. With reference to internal management the sustainability report, by comparing the resources consumed (perhaps even destroyed) with the results achieved, permits a careful reflection on the production processes and strategy formulation, at the same time offering the possibility to verify the coherence between the activities undertaken and those values that should inspire the organization's operations, favor the involvement of all the stakeholders and thereby allow the firm to strengthen its mission.

From the external point of view, the sustainability report has the important functions of information and image management. In fact, the sustainability report is a useful instrument to inform stakeholders about the organization's economic, social and environmental performance, in order to promote both the image and reputation of a nonprofit organization that is committed to responsible practices.

The best way to interact with the stakeholder is integrating internal and external engagement into decision process making at every level of the organization (Minjina, 2015). For nonprofit organizations, it is very important to know their stakeholders. Knowing the stakeholders means more than writing a list of risks they could pose, and holding a few focus groups. It means understanding the stakeholders in the same way as the organization understands the service users.

Some organizations have achieved significant progress through such efforts. In general, however, traditional approaches to stakeholder engagement represent a missed opportunity. Equally, from an organization perspective, benefits are typically claimed in terms of reputation or goodwill only. Concepts that, while important, are often nebulous, difficult to define and measure, externally influenced, and only indirectly connected to the action being taken.

With our understanding of stakeholder engagement, organizations focus on where stakeholder engagement can have the biggest impact on their strategy and operations, learn from past experiences to assess ambition and clarify objectives, understand and manage stakeholder expectations. The relationships described above are illustrated in the following diagram (Figure 1).



Figure 1. The relationships between managerial actions, communication processes and stakeholder engagement (Gazzola & Colombo, 2013)

Thus the sustainability report must be a valid instrument that stimulates and heightens the awareness of management in responsibly pursuing an effective social role to continually improve nonprofit organization performance (Manetti & Toccafondi, 2014). Drafting a sustainability report means joining the pursuit of the mission with the collective interest; it is an index of progress on the communications front as well. The sustainability report must express and harmoniously reconcile the economic measures and the quality of the relationship between the organization and its stakeholders, represented by the collectivity (Vlad, 2012).

The stakeholder engagement non only reduces the conflict of interests (Ienciu, 2012), but helps a company to manage its relationship with the stakeholder

Why nonprofit organizations have to implement sustainability report

The nonprofit organizations are not isolated. They have a strong connection with people and other organizations. The main stakeholders are customers, partners or collaborators, and donors. In a second place, there are other groups like mass media, suppliers, other networks and NGO, universities, etc.

Transparency is very important for nonprofit organizations for two reasons:

- 1) the first one, because NGO manage resources that are not theirs;
- 2) importance of credibility.

Transparency generates an indispensable credibility.

Communication is an important aspect of social responsibility because:

- 1) it gives the idea of the vision, the mission and of the values of the organization;
- 2) it establishes the way of dealing with the stakeholders.

To respond to the new information needs of society it was necessary to define the characteristics of a sustainable report that allows nonprofit organizations to implement a strategy of widespread and transparent communication capable of obtaining social consensus and legitimization, which is at the core of the achievement of any other objective, including earnings and competitiveness (Morsing & Schultz, 2006). There are many reasons for a nonprofit to implement a reporting process:

- Improve the reputation. Sustainability report help to build trust with stakeholders and manage reputation proactively (BSR, 2011; Ernst & Young, 2013a).
- Improve the economic, social and environmental impact on society and communicate those impacts to stakeholders to share best practices and encourage similar improvements from others.
- Create a positive relationship with companies. There is a positive relationship between many nonprofit organizations and companies, because they serving as a partner to the business, guiding them to more sustainable initiatives.
- Improve the efficiency. Nonprofit organizations need to be efficient not to waste money. The corporate social responsibility reporting includes metrics for cost savings from efforts in energy efficiency, waste reduction, recycling etc. Saving money is an important motivator for sustainability. Especially, when budgets are fixed and non-negotiable.
- Attract top talent. Top talents from the nation's best schools often see the corporate citizenship of the company as a criterion for working for that company. The economic, social and environmental improvements itemized in sustainability reports might just be enough to turn the right workers and volunteers on to the organization, ensuring it attracts the right talent at the right time.
- Attract top donors. Donors, pinched for funds and torn between too many charities, might be influenced by the transparency of a sustainability report. The report would provide confidence that donor funds are appropriately

spent. The organization can gain the competitive advantage in the fundraising war.

- Meeting the expectations of employees. Employees were a vital audience for sustainability reporting and the result of the issuing of a sustainable report is to increase employee loyalty (Ernst & Young, 2013b). With sustainability report, the organization drives internal employee engagement.

- Stakeholder dialogue and engagement. The process of reporting is an opportunity for reflection of corporate social responsibilities and for listening to the voices of their stakeholders (Spence, 2009). The stakeholder dialogue is the basis of the reports because the goals of nonprofit organizations and their stakeholders are different (Adams, 2004).

“Transparency” and “dialogue” are linked.

- Transparency. The number of organizations and individuals asking nonprofit about their social and environmental performance has grown tremendously during the past decade.

- Ensure internal governance, ethics and risk management practices. The reporting process can help organizations to reflect about realistic and feasible steps towards building a sustainable future, which is the real challenge.

As a communications document, the sustainability report has an internal and external validity that reveals how the complex interdependence between the economic and socio-political factors has become increasingly more uniform, punctual, complete and transparent, deeply rooted in and consequent on the business decisions (Catturi, 1998). It seeks to achieve the following objectives:

– give all stakeholders an overall picture of the organization's performance, thereby initiating an interactive process of social communication (Browne & Nuttall, 2013);

– provide useful information on the quantity and quality of the organization's activities in order to broaden and improve, even from an ethical-social point of view, stakeholder knowledge and the possibilities to assess such activities and make appropriate decisions.

In particular, this entails:

- taking into account the mission of the organization and its value system of reference, and how this is reflected in business decisions, management behavior and their results and effects;

- setting forth the objectives to which the organization is committed to its improvement;

- providing indications on the interactions between the organization and the environment it operates in;

- presenting a system of economic, social and environmental indicators;
- representing the added value and its allocation.

From the internal point of view, this document highlights the functions of internal management and mission reinforcement. With reference to internal management the sustainability report, by comparing the resources consumed (perhaps even destroyed) with the results achieved, permits a careful reflection on the production processes and strategy formulation, at the same time offering the possibility to verify the coherence between the activities undertaken and those values that should inspire the organization's operations, favor the involvement of all the organization's actors, and thereby allow the firm to strengthen its mission (Matacena, 2001).

From the external point of view, the sustainability report has the important functions of information and image management (Vermiglio, 1984). In fact, the sustainability report is a useful instrument to inform stakeholders about the organization's economic, social and environmental performance, in order to promote both the image and reputation of a nonprofit organization that is committed to responsible practices. Thus the sustainability report must be a valid instrument that stimulates and heightens the awareness of management in responsibly pursuing an effective social role to continually improve nonprofit organization performance (Gazzola & Ratti, 2014).

By considering Italian situation, social reporting is facing a weak increase in regulation by the central government although at the moment there are no binding regulations imposing specific reporting standards. In the non-profit sector, only partial and fragmented regulation has been introduced. As Mussari and Monfardini (2010) remember some organizations (such as bank foundations) are obliged to prepare a Mission Statement, social firms are obliged to prepare a Social Statement (Report), while all others may adopt social reporting tools using the guidelines drafted and recently approved by a special governmental Agency for the not-for-profit sector. This Agency has chosen to create a social reporting model with some essential information (to be provided by all kinds of organizations) and other voluntary indicators (for various organizations), some of which pertain to specific operating sectors.

Fondazione Renato Piatti Onlus: a model in the territory of Varese and not only

Fondazione Renato Piatti Onlus, was established in 1999 by the will of a group of parents members of National Association of Families of People with Intellectual Disabilities (Anffas) Varese, motivated by the need to find an agency that can professionally manage existing services and develop new ones; so, on 1 January 2000, this organization began operations dealing with the management of two diurnals centers and a residential one, in the town of Varese (www.fondazionepiatti.it). Since that time, keeping in mind the policy that the center addresses and aiming the full realization of the "Plan of Life" of Anffas for people with intellectual and relational disabilities, also associated with physical, mental and sensory disability, Fondazione Piatti has increased the introduction of new services in collaboration with the Lombardy Region and local institutions; in fact, to date, the commitment of this non-profit organization led to the creation of many units offered, which allow the organization to meet the needs of 350 guests attended daily by more than 400 people, divided between operators, in the health and social care, and volunteers.

For this reason, Fondazione Piatti is recognized as a qualified reality in the network of personal services, and its mission is to ensure that people with mental and intellectual illness and their families can live the best possible condition of being over their entire lives without discrimination based on disability, creating the conditions to develop or regain their skills and autonomy and to encourage their social inclusion.

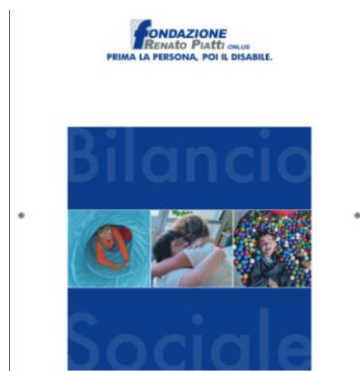


Figure 2. Cover of the Social Report 2009 Fondazione Renato Piatti Onlus

To this end, this organization provides care services and assistance for different needs and age, aimed at finding the appropriate individual support can promote the autonomy and social inclusion, inspired by two fundamental principles, arising from the thought Anffas, which seeks to put

in place in the daily management of its business and strategic: the respect for human rights and the relationship between the terms of the condition of health, environment and disability.

It is evident, therefore, that an organization of this size have the need and the requirement to have also a tool able to make more clear and transparent to its stakeholders that is able to do, every day, for people with intellectual and relational disabilities. Then, starting in 2008, the governing bodies of the Fondazione Piatti, have decided to take the experience of the construction of a Mission report for 2008, which is useful to start a growth path that would lead, in 2010, to develop the first document of sustainability reporting for 2009 (Figure 2); from then on, have been prepared the financial statements of the following years, introducing each time more information and making necessary changes, useful to achieve the goal of building a tool capable of reporting comprehensively on all activities of the organization and respond in full to the information needs of all stakeholders (Figure 3), Although it is not forced by law (in 2016 it had 335 employees and a total staff of 478 units).



Figure 3. Cover of the Social Report 2016 Fondazione Renato Piatti Onlus

But what are the reasons that have led this organization to start a complex and expensive, such as the drafting of a Sustainability Report? And what were the responses obtained through this effort reporting? Asked who were referred to the President of Fondazione Renato Piatti Onlus, Ms. Cesarina Del Vecchio, and the General Manager, Dr. Michele Imperiali. The reflections that have meant that the Board of this institution to approve the introduction of the Sustainability Report are varied, but all based on the

need to ensure greater visibility and greater transparency in relation to its stakeholders; indeed, as the General Manager, the organization, which receives funds for their livelihood through funding arising from the public (contributions arising from the Health System and Regional Social-health), those derived from individuals through the public system (5 per thousand) and those arising from private (companies or individual citizen) through direct donations, began to feel the need to "*make a qualitative leap in relations of accountability with the public system and with other stakeholders*", identifying how suitable instrument for this work, the Sustainability Report. A document which, according to Dr. Imperiali, ensures the commitment and the clarity of Fondazione Piatti, an organization in which governance is comprised entirely of volunteers in the parental component, all directors, including the Chairman, do not receive any compensation for the office held.

Besides that, according to the President, it was decided to start this effort reporting as there was the need to introduce a guarantee instrument, which allowed to have a quick overview of the situation, both qualitatively and quantitatively, in the face of that the statute does not provide for any accountability to shareholders. The Sustainability Report, therefore, may have given the opportunity to Foundation dishes "*tell the world that it is a serious organization*". Finally, this document has been seen as a driving force for communication, to be able to capture the attention of stakeholders who, at that time, had no direct contacts with the Fondazione Piatti, and the results of this effort have been seen since the first edition. For this reason, reaffirms Dr. Imperiali, this document will continue to be drawn up in the coming years with the aim, however, to make it more "*attractive and usable*".

All this has led in 2017 to the drafting of a social balance divided into 7 sections plus the subsections "president's letter", "data and major events of 2016" and finally "glossary":

- Identity;
- The heart of the mission: people with disabilities and their families;
- The activity of individual centers;
- The activity of communication and fundraising;
- People working for the foundation;
- Suppliers;
- Economic resources.

As it is possible to observe from the reading of the social balance, it presents most of the "essential information" and a small amount of "voluntary information" stated from the model of the Italian Agency for the Third Sector, despite the structure is similar to that proposed by the same. Its

creation started from the stage where it provides for the creation of the working group that focused on the level of preparation of the document and it was made up of the Risk Management Director, the Director of Services and the Social Area Director, coordinated by the Head of Communication, Dr. Maurizio Ferrari, all supported by the practical support of their direct reports to collect meaningful data to be included in the document (Figure 4).

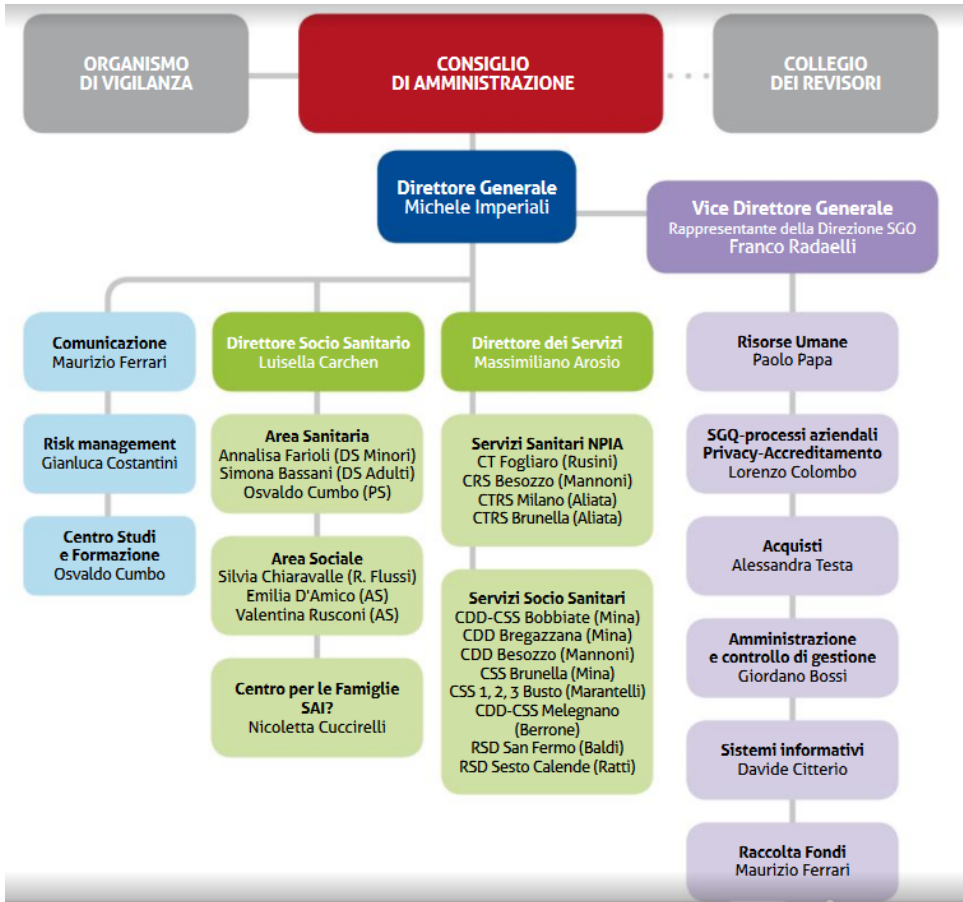


Figure 4. Functional organization of Fondazione Renato Piatti Onlus

To this was added the analysis of the data resulting from the survey done on certain stakeholders on the Sustainability Report of the previous year; by sending email to a questionnaire it was found, in fact, that it was necessary to work on making the document less voluminous, with a language as possible understandable by all stakeholders.

Conclusions and implications

CSR for nonprofit organizations has long been of interest to organization leaders, funders, and the communities in which nonprofits reside. Today there is a general interest that is revealed not only as the sum of the expectations of the individuals with whom the organization has direct relations but also as a collective interest. In the face of the recent economic downturn and increased expectations of mission impact and accountability, nonprofit organizations face a myriad of challenges in establishing and defining CSR in the long term. Nonprofits serving low-income communities often struggle to raise funds, as few community members have the means to contribute financial support to nonprofits. They have to face the following issues:

- Many nonprofit organizations are over-reliant on external sources of funding, such as government grants, that have been cut back in recent years.
- Nonprofits depend on marketing and branding efforts to help promote and sustain their programs and services, but branding considerations are often overlooked in the nonprofit sector.
- Donors increasingly want access to up-to-date information about an organization's operations and finances as a way of ensuring return on their investment.

The need thus arises for the organization to communicate, to make its actions visible to the outside, and as a result to obtain social legitimization for these actions (Gazzola & Colombo, 2011).

Sustainability reporting requires organizations to gather information about processes and impacts that they may not have measured before. This new data, in addition to creating greater transparency about organization performance, can provide organizations with the knowledge necessary to reduce their use of natural resources, increase efficiency and improve their operational performance.

In addition, sustainability reporting can prepare organizations to avoid or mitigate environmental and social risks that might have material financial impacts on their activities while delivering better social, environmental and financial value, creating a virtuous circle.

Despite the cited Directive only requires large entities to provide a social balance, sustainability reports are not just for big organizations. All organizations, regardless of size, purpose or financial structure should get involved and share their sustainable programs and efforts publically. Nonprofit sustainability reporting will attract the right talent and donors; save money; reduce our collective footprint and give the nonprofit organization greater leverage when working with big business.

Though issuing a sustainability report requires a lot of work, there is strong evidence that transparency offers a number of financial and social advantages that make it more than worth its costs. Respondents from organizations who issue a sustainability report most often identified data-related issues as among their challenges in the reporting process (Ernst & Young, 2013a).

This research focuses on the experiences of not profit organization in implementing the sustainability report. Fondazione Piatti incorporates CSR in the organization's management principle. From the case study, it is possible to understand that the legitimacy achieved by coherence is necessary for a nonprofit organization to fulfil the social role. The social support legitimizes the organizations for this action, and that social support will come from organizations that execute projects and carry out activities in a responsible way (Vidal et al., 2005).

The rapid growth of the sector, the increasing public participation, and the social demand will make the CSR of nonprofit a key factor of competitiveness and sustainability in the next years. The analysis on the CSR in nonprofit organizations clearly requires further study, yet the case study shown in this paper allows us to offer various reflections and encourages us to continue in this research because nonprofit organizations must increase their accountability and transparency.

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