

REVIEW ARTICLE | Received: 17th April, 2025 | Revised: 29th April, 2025 | Accepted: 14th May, 2025 | Published: 13th June, 2025

Sustainability Reporting: An Instrument of Corporate Accountability and Transparency

Amit Kumar¹, Sanjana Santra²

ABSTRACT

Sustainability reporting (SR) has been playing a critical role in business that want to communicate their Environmental, Social, and Governance (ESG) efforts to society and other stakeholders. This research paper will review the present trends in sustainability reporting across industries and geographical regions. It will explore the motive that drives companies to embrace sustainability reporting framework, highlighting the increasing significance of Corporate Social Responsibility (CSR) and stakeholder management in carving reporting strategies. The paper deals with standards and methodologies used in sustainability reporting, emphasizing the important frameworks such as the Sustainability Accounting Standards Board (SASB), Integrated Reporting (IR), and Global Reporting Initiative (GRI). It will examine the problems faced by companies in the implementation of such frameworks, which include standardization and data collection problems, and the need for good governance to ensure credible information. The effect of sustainability reporting on a organization performance is evaluated through the findings of empirical research and industry norms. The paper provides directions for prospective research in sustainability reporting and advocating the integration of ESG in financial reporting. It underlines the role of society, investors, and regulatory bodies in moving toward a transparent and sustainable industry landscape.



Keywords: sustainability reporting; corporate accountability, carbon disclosure, environmental impact, global reporting initiative.



This article is published under the **Creative Commons Attribution-Non-commercial (CC BY-NC) License**. Readers are free to share, adapt, and reproduce the material for non-commercial purposes, with appropriate credit to the author(s) and the source. Permission is required for any commercial use.

INTRODUCTION

Organizations report their performance on ESG parameters through sustainability reporting. It helps the corporations to be accountable about the challenges and opportunities they face. Building trust across stakeholders is the key to creating a sustainable economy globally (Montiel & Delgado-Ceballos, 2014; Kumar et al., 2021). The decisions of governments and companies impact different stakeholders and their trust. These decisions consider the challenges and opportunities related to different factors, and sustainability issues are integrated into the decision-making process (Atkinson, 2000). The increasing adoption of sustainability reporting amongst companies has given rise to many standards that have emerged worldwide, which has made the comparison of sustainability reports easier (Dinh et al., 2022; Roca & Searcy, 2012). GRI Standards is the most widely adopted framework globally. Other commonly adopted frameworks that measure ESG parameters are the Task Force on TCFD, SASB, and the Carbon Disclosure Project (CDP). More stakeholders, getting involved in the process of decision-making helps to develop trust in companies (Opferkuch et al., 2021). Sustainability reporting helps the companies to report the progress made towards their goals on the basis of different sustainability parameters, such as ESG metrics. It also contains the impacts and challenges that face the company. Sustainability reporting aims at identifying the impacts both favorable and unfavorable on the society, environment and economy (Kumar, 2020).

¹ Associate Professor, School of Management, Christ University, India. Email: amitgem@gmail.com

² School of Management, Bennett University, Greater Noida, India. Email: m23somp0003@bennett.edu.in

FRAMEWORKS AND STANDARDS FOR SR

Sustainability has become a crucial value-driver across companies as it improves trust, reduces cost, and provides long-term growth. Companies have started to realize their negative impact on the environment through increased GHG from different stakeholders, and they are increasingly adopting ESG practices ([Aras & Crowther, 2009](#); [Costa et al., 2022](#); [Kumar et al., 2021](#)). UN's SDGs and the 2015 Paris Agreement focus on reducing the carbon footprint while increasing the resilience and operational efficiencies of businesses. There are many other famous sustainability reporting frameworks, such as SASB in Europe and Supplier Ethical Data Exchange (SEDX), having their unique focus, but the goal is to ensure transparency, accountability and comparability ([Khan et al., 2023](#); [Pizzi et al., 2023](#)).

Gri

In 1997, GRI founded sustainability measurement standards. GRI standard provides 34 specific standards that the companies can report to different stakeholders. Companies can provide their data on the GRI website so that stakeholders can interpret and analyze the data as per their requirements ([Adams et al., 2022](#)). The consistency, comparability and applicability of the GRI data have made it a prominently used sustainability reporting standard ([Luque-Vilchez et al., 2023](#)). Organizations around the world trust this data as it ensures transparency in reporting, based on which the organizations can make strategic decisions.

Task Force on Climate-Related Financial Disclosures (TCFD)

TCFD guides organizations to disclose financial risks related to climate to all stakeholders. TCFD is widely used in the financial services sector and is also backed by the Securities and Exchange Commission (SEC), Singapore Exchange (SGX), National Association of Insurance Commissioners (NAIC), and Financial Conduct Authority ([Principale & Pizzi, 2023](#)).

Sustainability Accounting Standards Board (SASB)

The Sustainability Accounting Standards Board (SASB) deals with sector-specific non-financial sustainability reporting standards that assess the ESG parameters for corporates, which are relevant to the investors. SASB standards are different for every industry ([Pizzi et al., 2023](#)). SASB merged with the International Integrated Reporting Council (IIRC) in 2021, and it formed the Value Reporting Foundation, which aimed at providing a framework that integrates financial disclosure and SR. SASB has now merged into ISSB, and SASB has now been integrated into ISSB (IFRS) sustainability reporting standards ([Goswami et al., 2023](#)).

Carbon Disclosure Project (CDP)

CDP was founded in the year 2000 with more than 23,000 companies using its global environment disclosure services. CDP was the first to use investor pressure to force corporations to disclose their environmental impact. CDP has the biggest environmental action data globally, which helps the different stakeholders to make environmentally friendly decisions. The CDP database captures information on climate change, water security, forests, and supply chain modules, based on which the scores of the different companies are captured ([Ara & Harani, 2023](#); [Goswami et al., 2023](#)).

Business Responsibility and Sustainability Reporting (BRSR)

BRSR was developed by the Securities Exchange Board of India (SEBI) and it mandated companies to provide sustainability-related quantifiable data. It requires the top 1000 listed companies by market capitalization to report their ESG performance from 2022-2023 in a standardized format. In 2009, the ESG framework in India started with the Business Responsibility Reporting (BRR) guidelines. The guidelines were revised in 2023, and they are more aligned to GRI and TCFD. There are 98 mandatory indicators and 42 voluntary indicators in BRSR guidelines, which the largest 1,000 listed companies have to report ([Mishra & Kumar, 2024](#)).

The BRSR should disclose the non-financial information of the company, and it should be published in the annual report of the company ([Kumar et al., 2021](#)). The challenges of regulatory differences, standards consolidation,

and increase in regulations have increased the transparency and accountability. Corporations that observe these standards will create value and resilience in an era that is sustainability-focused (Kajal & Bansal, 2025).

Table 1. *Disclosure Requirements*

Category	Key Performance Indicators
Environmental protection	Air emissions, water usage, electricity consumption
Human rights	Human rights violation, fair wages
Integrity	Anti-bribery, anti-corruption, conflict of interest
Employee happiness	Employee accessibility, parental benefits, unions
Sustainable growth	Policies concerning marginalized groups
Responsible production	Investments in environmental and social impact
Stakeholder engagement	Handling consumer complaints, data privacy, cyber security
Social responsiveness	Marginalized group engagement
Responsible public policy engagement	Industry affiliations, anti-competitive conduct issues

SUSTAINABLE REPORTING PROCESS

Every company can follow a step-by-step process and make a better influence on society and the environment by focusing on sustainability issues that are achievable and need immediate attention (Kumar, 2020). There are many things that have to be kept in mind while writing the sustainability report, right from identifying the material sustainability issues to writing the report.

Stage 1- Identifying Material Sustainability Issues

There are many issues that the organization faces that need to be addressed as a priority. ESG issues are crucial to the functioning of the organization. Companies should understand the sustainability issues by engaging with the stakeholders. This would help in understanding the issues and addressing them in a step-by-step manner.

Stage 2- Defining Sustainability Goals and Metrics

The sustainability initiatives of the organization should be aligned with the goals and objectives of the organization. The sustainability goals and objectives should also be properly defined and should be SMART – Specific, Measurable, Achievable, Relevant, and Time-bound.

Stage 3- Gathering and Analyzing Data

Relevant data should be gathered regarding the progress made in achieving the sustainability goals of the organization that were clearly identified in the earlier steps.

Table 2: *Sustainability Goals and Measurement*

Goals	Progress Measurement
Reducing water usage	Reduction by 25% by 2030
Labor well-being in the supply chain	Tracking the percentage of suppliers complying with labor standards
Diversity, equity, and inclusion	Measuring the profile and growth path of the employees

Stage 4- Modifying the Reporting Framework

The reporting framework ensures consistency and transparency as it provides a proper structure and is an integral part of sustainable reporting. Organizations can choose from a gamut of sustainability reporting frameworks: GRI, SASB, and TCFD. It is important to modify the reporting framework with regard to the needs of the organization. The most suitable sustainability reporting framework has to be adopted by the company and then customization should be done according to the objectives and goals of the organization. The report should be aligned with the sustainability vision of the organization ([Goswami et al., 2023](#)). The general and specific disclosures, along with reporting principles should be considered while making the report. The report should contain the most relevant indicators that are crucial for the organization. The reporting should be consistent and standardized so that comparisons across companies become easier.

Stage 5- Stakeholder Engagement

Stakeholders of an organization are directly affected by the sustainability efforts of the organization. Stakeholder engagement can help in getting relevant feedback and it improves the decision-making process. A sustainability report should be comprehensive and comprehensible, which would make it effective. Stakeholder engagement can be done by administering surveys, focus group interviews, and public consultations. The stakeholders should be involved in the entire reporting process so that their needs and expectations are adequately captured in the report. The trust of the stakeholders can be improved by creating value and providing transparent information.

Stage 6- Report Writing

Writing a well-constructed report is important as it would help in the evaluation of the sustainability efforts of the organization. The context setting should be done for the data provided which would include the process of data collection and processing. Data visualization tools, such as charts and graphs, should be used to communicate complex information in a comprehensive manner. A summary of the key findings should be given at the beginning of the report, which makes it convenient to analyze the report. The report should be concise, and unnecessary detailing should be avoided.

CHALLENGES AND BEST PRACTICES IN SUSTAINABILITY REPORTING

SR has become an important instrument for business to showcase their ESG performance. Companies face many challenges that might affect the accuracy and reliability of their sustainability reports, such as data quality issues, lack of standardization, complex regulations, and trust issues. Corporate disclosures can be meaningful only if these challenges are addressed.

Lack of standardization and fragmented frameworks

One of the biggest challenges is the fragmented framework, as there is a lack of standardization. All the sustainability reporting frameworks, whether they be GRI, SASB, TCFD, ISSB or CDP, may confuse the companies as their requirements are very different from each other. The focus of GRI is on stakeholder impact, while SASB majorly focuses on financially relevant ESG factors. This would result in insufficient disclosure practices which will make it tough for stakeholders to compare the sustainability reports across industries ([Galeone et al., 2023](#)). There is no global standard that is mandatory for companies to follow, which would result in selective disclosure. Companies would be tempted to highlight their positive impact while downplaying their negative impacts, which would reduce the credibility of sustainability reports ([Busco et al., 2020](#)).

Greenwashing and lack of transparency

It is one of the major issues in companies in which the companies make false claims about their social and environmental performance and mislead society ([Alyahia et al., 2024](#)). The problem of selective disclosure by companies misleads the stakeholders by highlighting their positive impact while downplaying their negative impacts ([Kaner, 2021](#); [Sharma et al., 2025](#)). Making false claims damages the trust of the stakeholders and the integrity of reporting also gets questioned by making them believe in false claims ([Dempere et al., 2024](#)).

Data collection and quality issues

These issues undercut the reliability of sustainability reporting. Companies gather sustainability data from different departments, which would lead to inconsistent data which will lead to discrepancies. Carbon emissions and social impact reporting lack standardized measurement, which makes comparison difficult. The data collection done by companies is still done manually, which results in inefficiencies (Kumar et al., 2021). ESG data auditing is another area of concern as many qualitative issues might be difficult to measure, which raises concern about the reliability of such information.

CONCLUSION

SR has emerged as a critical business component that has gained momentum from regulatory pressures, stakeholders' expectations, and increasing demands of investors. Organizations around the world are increasingly appreciating the need for ESG disclosures and it has become a critical part of any organization. The emergence of GRI, TCFD, SASB, and ISSB frameworks has evolved the sustainability reporting landscape, but the challenges of data accuracy, greenwashing, and standardization persist. Companies should identify the most important ESG factors, and corporate disclosures should be aligned with the sustainability goals and vision of the company. A radical shift is in the pipeline from voluntary reporting to mandatory reporting, which has made compliance a major focus area. Sustainability reporting will soon have standards that are integrated, and technology will be used for real-time tracking of data. Many frameworks are also emerging, such as the TNFD, which will increase the scope of sustainability reporting to include biodiversity and ecosystem aspects. Sustainability reporting has become a major thrust area for companies and it has become a necessity. Transparent organizations that are aligned with ESG practices will gain the trust of the stakeholders and gain an edge over their competitors. A better initiative towards sustainability reporting today will result in an impactful and resilient business landscape tomorrow. Continuous commitment to sustainability reporting by companies will result in value creation for the companies.

AUTHOR DECLARATIONS

CRedit Author Statement / Author contributions

Amit Kumar: Conceptualization; Methodology; Software; Formal Analysis; Investigation; Data Curation; Writing – Original Draft; Visualization.

Sanjana Santara: Validation; Resources; Writing – Review & Editing; Supervision; Project Administration.

Acknowledgement: The authors would like to state that no specific funding or support was received for this study.

Conflict of interest: The author(s) declare no conflicts of interest.

AI statement: No artificial intelligence tools were employed in the preparation of this work, except for Grammarly, which was used exclusively to enhance grammar and language clarity.

PUBLISHER'S NOTE: All claims expressed in this article are solely those of the authors and do not necessarily represent those of the publisher, the editors and the reviewers. This journal remains neutral with regard to jurisdictional claims in published institutional affiliation.

REFERENCES

- Adams, C. A., Alhamood, A. M., & He, X. (2022). The development and implementation of GRI standards: practice and policy issues. In *Handbook of accounting and sustainability* (pp. 26-43). Edward Elgar Publishing.
- Alyahia, M., Azazz, A. M., Fayyad, S., Elshaer, I. A., & Mohammad, A. A. (2024). Greenwashing behavior in hotels industry: The role of green transparency and green authenticity. *Sustainability*, 16(3), 1050. <https://doi.org/10.3390/su16031050>

- Ara, M., & Harani, B. (2023). One Planet One Compliance: Stakeholder Perception Analysis on the Efficacy of the IR Framework of ESG Disclosure. In *Digital Transformation for Business Sustainability: Trends, Challenges and Opportunities* (pp. 1-17). Singapore: Springer Nature Singapore.
- Aras, G., & Crowther, D. (2009). Corporate sustainability reporting: a study in disingenuity? *Journal of business ethics*, 87, 279-288.
- Atkinson, G. (2000). Measuring corporate sustainability. *Journal of Environmental Planning and management*, 43(2), 235-252. <http://www.tandfonline.com/doi/abs/10.1080/09640560010694>
- Busco, C., Consolandi, C., Eccles, R. G., & Sofra, E. (2020). A preliminary analysis of SASB reporting: Disclosure topics, financial relevance, and the financial intensity of ESG materiality. *Journal of Applied Corporate Finance*, 32(2), 117-125. <https://doi.org/10.1111/jacf.12411>
- Costa, R., Menichini, T., & Salierno, G. (2022). Do SDGs really matter for business? Using GRI sustainability reporting to answer the question. *European Journal of Sustainable Development*, 11(1), 113-113. <https://doi.org/10.14207/ejsd.2022.v11n1p113>
- Dempere, J., Alamash, E., & Mattos, P. (2024). Unveiling the truth: greenwashing in sustainable finance. *Frontiers in Sustainability*, 5, 1362051. 10.3389/frsus.2024.1362051
- Dinh, T., Husmann, A., & Melloni, G. (2022). Corporate sustainability reporting in Europe: A scoping review. *Accounting in Europe*, 20(1), 1-29. <https://doi.org/10.1080/17449480.2022.2149345>
- Galeone, G., Ranaldo, S., Shini, M., & Dicuonzo, G. (2023). SUSTAINABILITY REPORTING: EVIDENCE FROM GLOBAL SYSTEMICALLY IMPORTANT BANKS (G-SIBs). *Journal of Financial Management, Markets and Institutions*, 11(02), 2350011. <https://doi.org/10.1142/s2282717x23500111>
- Goswami, K., Islam, M. K. S., & Evers, W. (2023). A case study on the blended reporting phenomenon: A Comparative analysis of Voluntary Reporting Frameworks and Standards-GRI, IR, SASB, and CDP. *The International Journal of Sustainability Policy and Practice*, 19(2), 35. <https://doi.org/10.18848/2325-1166/CGP/v19i02/35-64>
- Kajal, A., & Bansal, S. (2025). Analysing impact of corporate attributes on sustainability disclosures through India's new BRSR framework. *International Journal of Law and Management*, 67(2), 282-298. <https://doi.org/10.1108/IJLMA-02-2024-0043>
- Kaner, G. (2021). Greenwashing: How difficult it is to be transparent to the consumer—H&M case study. *Green marketing in emerging markets: strategic and operational perspectives*, 203-226.
- Khan, I., Fujimoto, Y., Uddin, M. J., & Afridi, M. A. (2023). Evaluating sustainability reporting on GRI standards in developing countries: a case of Pakistan. *International journal of law and management*, 65(3), 189-208. <https://doi.org/10.1108/IJLMA-01-2022-0016>
- Kumar, K. (2020). Emerging phenomenon of corporate sustainability reporting: Evidence from top 100NSElisted companies in India. *Journal of public affairs*, 22(1), e2368. <https://doi.org/10.1002/pa.2368>
- Kumar, K., Kumari, R., & Kumar, R. (2021). The state of corporate sustainability reporting in India: Evidence from environmentally sensitive industries. *Business and Society Review*, 126(4), 513-538. <https://doi.org/10.1111/basr.12247>
- Kumar, K., Kumari, R., Poonia, A., & Kumar, R. (2021). Factors influencing corporate sustainability disclosure practices: empirical evidence from Indian National Stock Exchange. *Journal of Financial Reporting and Accounting*, 21(2), 300-321. <https://doi.org/10.1108/JFRA-01-2021-0023>
- Luque-Vílchez, M., Cordazzo, M., Rimmel, G., & Tilt, C. A. (2023). Key aspects of sustainability reporting quality and the future of GRI. *Sustainability Accounting, Management and Policy Journal*, 14(4), 637-659. <https://doi.org/10.1108/SAMPJ-03-2023-0127>
- Mishra, P., & Kumar, K. (2024). Uncovering the sustainability reporting: bibliometric analysis and future research directions. *International Journal of Disclosure and Governance*, 21(4), 520-542.
- Montiel, I., & Delgado-Ceballos, J. (2014). Defining and measuring corporate sustainability: Are we there yet?. *Organization & Environment*, 27(2), 113-139. <https://doi.org/10.1177/1086026614526413>
- Opferkuch, K., Caeiro, S., Salomone, R., & Ramos, T. B. (2021). Circular economy in corporate sustainability reporting: A review of organisational approaches. *Business Strategy and the Environment*, 30(8), 4015-4036. <https://doi.org/10.1002/bse.2854>

- Pizzi, S., Principale, S., & De Nuccio, E. (2023). Material sustainability information and reporting standards. Exploring the differences between GRI and SASB. *Meditari Accountancy Research*, 31(6), 1654-1674. <https://doi.org/10.1108/MEDAR-11-2021-1486>
- Principale, S., & Pizzi, S. (2023). The determinants of TCFD reporting: A focus on the Italian context. *Administrative Sciences*, 13(2), 61. <https://doi.org/0.3390/admsci13020061>
- Roca, L. C., & Searcy, C. (2012). An analysis of indicators disclosed in corporate sustainability reports. *Journal of cleaner production*, 20(1), 103-118. <https://doi.org/10.1016/j.jclepro.2011.08.002>
- Sharma, A., Kumar, K., & Dwesar, R. (2025). "Keenly aware of environmental issues, yet wavering in conviction": Understanding the factors influencing the consumers' willingness to pay for green energy. *Sustainable Futures*, 9, 100427. <https://doi.org/10.1016/j.sftr.2024.100427>