Sustainability Reporting: Format and Disclosure Guidance

Mary Fischer
University of Texas at Tyler

Sustainability reporting continues to grow in popularity but the lack of standardization in its reporting guidance is a challenge. This archival analysis examines the various formats available for reporting organizational sustainability, highlighting both commonalities and differences. Although no U.S. guidance has been successfully adopted, this does not deter companies from using whatever format meets their organizational reporting needs. The genesis of various sustainability nonfinancial reporting presentations is provided with a discussion of their format and content. Reporting goals, disclosure guidance and auditor review proposals are presented together with the status of U S sustainability reporting guidelines and pending accounting rules for environmental credits.

Keywords: sustainability reporting, environmental, sustainability disclosures, reporting guidance

INTRODUCTION

A topic that has seen a rise in popularity since the turn of the century is the sustainability of businesses to maintain their capacity, endure, and continue their activities over time. Advocates consider the reports to be a presentation of managerial and shareholders long-term valuation goals in a social value format (Del Giudice & Rigamonti, 2020). Domestic and foreign companies, investors and stakeholders are increasingly concerned with the human impact on the environment. This sudden spike in concern has followed growing evidence of climate change and demand for cheaper sources of renewable energy. With the focus on these issues, investors want to know what companies are doing to minimize or eliminate climate-related risks that could materially impact the entity especially their financial operations (Wassenius et al., 2024)..

The term sustainability is derived from the German equivalent *Nachhaltigkeit* which can be explained by the expression 'lasting-ness' (Warde, 2011). While the sustainability concept began as an idea to sustain the environment, the definition continues to expand into areas of economic and social activities. Investors have shown concern not only with how an entity treats the environment but also with how it treats its employees and engages in business practices to ensure the entity's future economic viability (Bova, 2022).

Sustainability concern can be traced as far back as 1713 with Hanns Carl von Carlowitz 's forestry manual introduced the topic of sustainable yield (Warde, 2011). During the industrial revolution, early political economists recognized the link between the wealth accumulation and the increasing impact of businesses operating in society (Lumley & Armstrong, 2004).The modern terminology surrounding sustainability began being acknowledged in a global sense in the early 1970s. The *Limit to Growth* (Meadows et al., 1972) argues for a world system that is sustainable without sudden or uncontrollable collapse. This thesis was quickly followed in the same year by *"A Blueprint for Survival," which highlighted the damage humans were doing to the planet, along* with numerous recommendations for change

(Anonymous, 1972). The proposed blueprint advocated for the creation of a sustainable society to address environmental issues, climate change, and pollution. Sustainability discussions became mainstream in the 1980s, but some investors and shareholders were concerned that the concept was too narrow to describe the conservation of natural resources for business purposes (Wetts, 2020; Marquardt & Lederer, 2022). There are no national governing bodies in the U.S. that require this type of sustainability disclosure. Yet, according to recent surveys, most publicly traded companies in the US see the benefits, or have felt pressure from investors, to disclose sustainability information.

In 2019, an Aflac survey found 73% of their investors were seeking investments in entities interested in improving the environment and society (Filosa, et al., 2020; Hernandez-Blades, 2020). Many of the survey respondents expressed a desire for entities to share environmental and sustainability information. The investor desire for environmental and societal improvement information also was found to be available in a survey of company representatives administered by the Governance & Accountability Institute (G&A). The 2019 sustainability data survey of S&P 500 companies by G&A found that 90% of the respondents produce some variation of a sustainability report. The 2019 finding of the large percentage of companies producing sustainability reports was almost double the number of companies reporting sustainable information reported in their 2012 study (G&A, 2019).

SUSTAINABILITY

Sustainability is defined as an equilibrium of people, planet and profit (Talbot & Venkataraman, 2011). The exact definition of corporate sustainability is dependent on the context and time the term is being used. Kuhlman and Farrington (2010) define sustainability as concern with the well-being of future generations and the irreplaceable natural resources. They argue that over time sustainability has been interpreted as encompassing three dimensions – social, economic and environment that obscures the importance of the concepts. Although natural resources are used up at the expense of future generations, society also generates capital which supports future well-being. They claim that the definition of sustainability should be concerned with the complement of capital creation and resource consumption. The definition of sustainability focuses on long-term activities and does not provide guidance for temporary projects (Talbot & Venkataraman, 2011). In essence, the primary concern of sustainability should be protecting the environment to ensure the long-term viability of future business operations. With this definition, the goal of corporate sustainability is to ensure the business has the capacity to continue indefinitely. An example is a paper company taking a vested interest in planting and nurturing new trees. Without replanting new trees at the same rate as the company harvests old trees, there would come a point in time when the company's business would be in jeopardy, even if that time were in the distant future.

Over the past two decades, there has been a growing focus on corporate sustainability within the business and research industries (Purvis et al., 2019). A widely used stainability description focuses on three subcategories referred to as Pillars as together they support the entity’s sustainability. The three pillars include the environmental, social and economic support of the enterprise.

This concept stems from the idea that three pillars environment, social and economic (posts) support sustainability (the roof). If one of the pillars is too weak, the roof will come crashing down. This implies that while the pillars are separate, they support one another and dedicating too much to one area will have a negative impact supporting sustainability (Purvis et al., 2019).

Of the three pillars, the environment is the most synonymous with the sustainability definition, as it is the pillar that relates to preserving natural resources to ensure the world and its inhabitants' viability. The environmental pillar focuses on reducing greenhouse gas emissions, improving air quality and water quality, promoting reforestation, and other initiatives that impact the natural environment. Natural resources are obtained through the environment, and companies rely on extracting these natural resources at a steady rate. If the companies extract resources at a rate that cannot be replenished, the entity would not be economically sustainable (Krausmann, et al., 2018). The environment also plays a large role in humanity’s overall health. Since companies depend on humans for leadership and staffing, it is in their interest to care for the environment (Vandyck et al., 2018).

The social pillar focuses on human health, education, environmental justice, combating discrimination, and the well-being of entity stakeholders (Husgafvel, 2021). Another perspective compares the social focus on individuals (e.g., health and well-being) and organizations (e.g., ethical behavior or employee performance) (Aymen & Wahab, 2020). To promote social sustainability, entities must be concerned about improving workplace environments to increase the workforce's environment. Improving the workplace environment can enhance employee motivation and increase production output, ultimately leading to the entity's improved economic performance (Morais & Silvestre, 2018). Companies that increase social sustainability can reap lasting benefits by enhancing the ease of workers' walking, biking, or promoting carpooling among employees, which results in reduced emissions and greenhouse gases (Mejia et al., 2018).

Economics is the third sustainability pillar, concerned with maintaining and increasing economic growth without negatively affecting the environment. Unlike the environmental and social pillars, the economic pillar focuses not on the individual but on the universe and organizations (Theisz et al., 2025). For a business entity to be sustainable in any form, it must be financially stable. A financially stable business entity can create jobs, increase its profitability, and expand its business activities. The creation of jobs is one way the economic pillar supports the social pillar positively. High employment rates benefit the economy and concurrently provide resource security for the entity. Business resource security leads to less employee stress and higher rates of satisfaction with work and life (Cai et al., 2024; Long, 2024).

Although the pillars support one another, an example of how one pillar can negatively affect another is the gig economy (Oyer, 2020). The gig economy describes a labor market that utilizes short-term contracts, temporary or freelance work without benefits, which differs from the more typical business structure that offers full-time, guaranteed work with a likelihood of receiving benefits, such as health and life insurance, as well as job security. Individuals who work in the gig industries contribute to the economic pillar without receiving the benefits provided with the strengthening of the social pillar. This creates a conflict between the sustainability economic and social pillars. As the gig economy expands, the economic pillar strengthens, while the social pillar weakens (Oyer, 2020).

Given interest in sustainability performance and outcomes, entities desire to effectively communicate an organization's efforts. There are several ways to report the information as well as different reporting styles. One mainstream approach is ESG (Environmental, Social, and Governance) reporting, which has become synonymous with sustainability reporting

SUSTAINABILITY REPORTING

Sustainability reporting is a form of non-financial reporting that enables companies to convey their goals, initiatives, and progress towards sustainable development, allowing investors, stakeholders, and others to assess the company's impact and long-term value. Several frameworks exist to guide this process that contain much of the same information but in different formats (Zimmermann, 2019). International frameworks and standards exist including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

International Sustainability Reporting

The Global Sustainability Standards Board (GSSB) is an independent body that sets the GRI Sustainability Reporting Standards that operate under the auspices of the Global Reporting Initiative GRI. headquarters in Amsterdam. The GRI sustainability report is a voluntary reporting system for organizations, governments, and multinational entities. It is the most popular standard used as 92% of the world's largest companies report their sustainability performance.(Anders, 2018). GRI provides multiple options for preparing a sustainability report in accordance with the reporting entity's needs. The basic report format includes the minimum information necessary to understand the nature of the organization, its material activities, and their related impact, as well as how these activities are managed. A comprehensive report expands on the basis report with additional disclosures regarding the organization's strategies, ethics, governance, and integrity (Bais et al., 2024).

In the GRI Standards, the structure of each standard consists of requirements, recommendations, and guidance. Guidance sections include background information, explanations, and examples to provide clarity on the requirements. Recommendations include cases where a specific action is encouraged but not required. Requirements are instructions that are mandatory for organizations to follow. They are meant to be read in the context of recommendations and guidance, even though compliance with recommendations and guidance are not required if an organization is to claim compliance with the GRI standards (Zsoka & Vajkai, 2018)). GRI standards provide a comprehensive guide to sustainability reporting for companies in any country. Many companies opt to follow the GRI standards for consistency in information presentation among peer companies within the same industry, sector, or geographic region. However, another set of standards emerging in popularity in the United States provides an integration between financial and environmental reporting.

The Sustainability Accounting Standards Board (SASB), located in San Francisco, is an independent, nonprofit organization devoted to the development of standards for U.S. companies. The SASB reporting standards were based on sustainability accounting of both social and environmental impacts on US corporations, using industry-specific category metrics. Using a business model, sustainability accounting standards are grouped by sector or industry to develop a reporting model that encompasses five topics: environment, social capital, human capital, business model and innovation, and leadership and governance. Since each industry will have its own sustainability profile, these topics should have a material company impact on any given industry. (Busco et al., 2020).

Each SASB standard includes disclosure topics, accounting metrics, technical protocols and activity metrics. Disclosure topics (that are reasonably likely to constitute material information) include a brief description of how management or lack thereof of that topic may affect value creation. Accounting metrics can be qualitative or quantitative and are intended to measure performance. Technical protocols are built upon accounting metrics to provide adequate information for third-party assurance, offering guidance on definitions, scope, implementation, compilation, and presentation. Activity metrics also build accounting metrics to normalize data and aide in comparison by quantifying the scale of a company's business (SASB, 2018).

SASB allows companies to determine their own relevant standards, which disclosure topics are financially material, and which associated metrics to report. The relationship between sustainability accounting and financial accounting is based on the confirmatory and predictive values each holds. The SASB claims its standards are meant to address accounting for these issues by defining qualitative and quantitative operational metrics on material, industry-specific sustainability topics likely to affect current or future financial value (Busco et al., 2020).

SASB's standards and the general rise in popularity of sustainability reporting lead to the pros outweighing the cons of reporting sustainability. In 2021, the Board combined with the London-based International Integrated Reporting Council to form the Value Reporting Foundation (VRF). Later that year, VRF consolidated with the International Sustainability Standards Board (ISSB) and all open SASB projects were transitioned to the ISSB (Sreseli & Sreseli. 2025; Goswami et al., 2023). Despite the merger between the Sustainability Accounting Standards Board and the International Integrated Reporting Council, ESG disclosure practices are subject to variation across firms and industries. The accounting firm KPMG (Cohn, 2021a), working with businesses, investors, organizations, and international organizations, has put together a set of 21 core metrics to assist companies in disclosing their ESG progress in the areas of people, planet, prosperity, and governance. The ISSB guidance is used by US entities for disseminating their sustainability achievements or they employ general reporting formats such as corporate social responsibility, the triple bottom line, an ESG report. and B-Corp certificate.

Corporate Social Responsibility

The corporate social responsibility (CSR) report contains information about the company's commitment to social and environmental issues. The report gained popularity in the 1970s, based on the concept of a social contract between business and society, regarding the company's commitment to providing information on social and environmental issues. Specifically, the report contained details on environmental stewardship, ethical labor practices, community engagement and organizational governance. The report also included information regarding the organizational performance and future goals (Bowen, 1953; Garcia-Rivas et al., 2023).

Corporate responsibility reports lost favor because they were of poor quality, lacked transparency, and seldom used common measures, often leading to company greenwashing. Without any standardization, the reports often reported goals that could not be measured or were questionable. The lack of accountability made it impossible to assess corporate responsibility. These criticisms and deficiencies led to a shift to environmental, social and governance reporting (Latapi Agudelo et al., 2019). . Sustainability, CSR, and ESG are similar concepts, with a few slight differences.

Triple Bottom Line

The triple bottom line (TBL) was introduced in 1994 by John Elkington and comprises the three concepts of the three pillars of sustainability and ESG. TBL presents a comparable approach to examining the three concepts through the 3 P's: Planet (Environment), Profit (Economic), and People (Social). Elkington argues that by balancing the three concepts, a company can more easily be sustainable. TBL adds to the well-known bottom line *(*e.g., financial performance) even when the firm is not excelling financially or sufficiently and claims social and environmental success is equally important for sustainability (Elkington, 2018).

The triple bottom line extends the traditional company's accounting bottom line (e.g., the monetary profit of the business) to communicate an equilibrium of sustainability's three components: people, planet, and profit (Wilson, 2015). The people section describes the labor involved in the organization's work, the community where the company is located, and the worker's compensation, as well as the measures the company is taking to ensure humane working conditions. The planet section discusses the organization's efforts to reduce ecological harm, including reducing waste, investing in renewable energy, and managing natural resources to become more efficient. The profit section discusses the entity's financial profitability measuring the entity's economic success.

The triple bottom line assesses the entity's performance beyond the financial profit to evaluate the impact across the three dimensions. It provides a comprehensive view of the company's sustainability and corporate social responsibility by considering both financial and non-financial factors. It encourages companies to broaden their goals beyond maximizing profit and to prioritize their environmental and social responsibilities. By publicly communicating this information, entities demonstrate to their investors, stakeholders, employees, customers, regulators, and others their performance regarding people, planet, and profit (Shultz & Flanigan, 2016).

Environmental, Social, and Governance

Environmental, Social, and Governance (ESG) and sustainability are common terms that are often used interchangeably, although they have distinct meanings. Disclosures related to ESG and sustainability are presented in multiple reports with shared purposes, audiences, and materiality (Masemola & Herbert, 2024). ESG reports seem to mirror the three pillars of sustainability for good reason.

Sustainability has been acknowledged for some time, but ESG was not introduced until 2004, in a study by The Global Compact titled "Who Cares Wins." The ESG report was developed in conjunction with eighteen major financial institutions from nine different countries that were invited by the United Nations to explore how to better integrate sustainability into business (Lykkesfeldt & Kiaergaard, 2022). When reviewing how companies perform in terms of environmental, social, and governance issues, the report states that companies that perform better in these areas can increase shareholder value. Examples of entities that create value are those that properly manage risks, anticipate regulatory action, or access new markets, while simultaneously contributing to the sustainable development of the societies in which they operate. Moreover, these issues can have a strong impact on reputation and brands that are an increasingly important part of company value (IFC, 2008). As the world continues to become more interconnected and competitive, companies will be at a disadvantage if they focus solely on these issues without reporting them in an efficient manner (Jones & Wynn, 2024).

ESG reporting encompasses the efforts that companies undertake to have a positive impact on society, ultimately leading to long-term benefits (Prakash et al., 2017). The document includes topics such as ethics, philanthropy, governance, human rights and efforts including community involvement, safe business practices, equal employment opportunities preservation of the environment, and many other achievements that are reported under the heading of organization, governance, planet, people, principles and performance (Hitchcock, 2015). The ESG report refers to the environmental, social and governance factors which investors use to determine a holistic view of a company's efforts toward sustainability. The ESG data is not exclusively based on the individual company's impact, but also includes the company's partnerships with other entities in the various steps of their supply chain, as well as the company's impact on the community and planet, and the behavior of the company executives.

The ESG reported environmental factors include how the company manages its carbon footprint through energy consumption, use of plastic in packaging, waste disposal, and utilization of renewable energy. The company's social responsibility factors are determined by how the company works toward increasing diversity, reducing discrimination, and keeping human rights issues at the forefront of its policies. Governance data is the measure of how the company is managed and supervised and how senior employees are held accountable (Martiny et al., 2024)

ESG criteria have become a primary indication of management competence, risk management and non-financial performance. In addition, investors have found ESG climate risk data correlates to investment risk (Arvidsson & Dumay, 2022). However, failing to implement ESG policies can have a detrimental impact on a company's reputation and profits. For example, the Blue Bell Creameries, Inc. board of directors faced legal recourse that led to a lawsuit when Blue Bell was accused of violating their fiduciary duties following a listeria outbreak (Johnson, 2024). Thanks to a quick and substantial investment managed by a board member, Blue Bell was able to renovate its facilities and restart production. However, none of these activities were shared with the balance of the board of directors. While Blue Bell's quick return to production was cause for celebration, its near demise led to significant litigation. Shareholders sued the Blue Bell board, claiming the directors had violated their fiduciary duties. The company was forced to pay criminal fines, and the former CEO was indited for wire fraud and conspiracy. Not only was Blue Bell subject to public scrutiny after the listeria outbreak called into question the reliability of consuming Blue Bell ice cream safely, but it could have all been avoided had Blue Bell's leadership behaved in an ethical manner (Johnson, 2024).

An ESG reporting issue is companies using third party raters to assess their ESG achievement scores. Different raters employ various methodologies, criteria, and scoring techniques, which lead to inconsistent and sometimes conflicting analyses for the same company, resulting in substantially different ESG scores (Pagliei & Demartini, 2023). These inconsistencies impact the reliability and validity, resulting in ESG rating bias that diminishes confidence in the information and creates significant challenges for investors, companies, and regulators (Charlin et al., 2022).

Although the ESG report may be desirable, the report still lacks consistency, comparability and reliability supplied by third-party reviewers or auditors. Much of ESG reporting is compiled by the company's investor relations departments without any external guidance and no audit oversite. Investors and stakeholders using ESG for decision making do so at their own risk. Academics and data analysts argue that a guiding framework should be established before inconsistent data causes harm (Foltin & Holtzblatt, 2022).

Sustainability can be seen as an all-encompassing term that describes environmental, social, and economic responsibility. However, others take the older approach to sustainability, focusing solely on the preservation of our environment. This discrepancy has opened a need for a clearer definition for investors and ESG seems to have taken on that role. Although, this has led to some different names of reporting that are synonymous with ESG reporting. These other names include Corporate Social Disclosure (CSD), Corporate Sustainability (CS) reporting, Corporate Environmental Reporting (CER), and Corporate Social Responsibility Disclosure (CSRD). Regardless of the title used to describe the disclosure, there is no debate that the ESG report and sustainability information provide investors with information on the issues that concern them. The firm's ESG activities are considered crucial because both institutional and individual investors agree that ESG identify opportunities and risks facing the firm and they use non-financial ESG factor data to decide whether to invest in the firm or not (Coleman et al., 2010).

A designation gaining favor as a concern of companies' sustainability and environmental, social and governance metrics intensifies. is becoming a certified B Corporations.

B Corporations (B-Corp)

B-Corp Certification is a private organization designation that recognizes for-profit companies meeting high standards of social and environmental performance, accountability and transparency. To achieve certification, companies must undergo and pass an extensive assessment, meet legal criteria, and be open to ongoing commitment to transparency reviews. The assessment is a comprehensive evaluation of the positive impact of the company on it workers, the community, the environment and its customers. The legal commitment requires the company to consider the impact of their decisions on all stakeholders not just the shareholders. To satisfy the transparency criteria the company must make all their performance data publicly available on the B Global website to maintain accountability. Once the certification is obtained, an annual fee is required and each of the criteria assessments must be reaffirmed every three years (Butcher, 2022).

Research finds that B-Corp Certification has a positive impact on a company's corporate performance, leading to both positive financial and non-financial results, including strategic advantages. However, the certificate does not benefit the organizations international development (Richardson & O'Higgins, 2019). Based on geographic locality, product, competition, and leadership demographics, Harjoto et al. (2019) found that organizations in states with lower hourly wage rates, democratic voters, and high ESG performance scores were more likely to adopt the B Corporation certification. Companies opt for certification to demonstrate their impact on society and gain the positive economic and social effects that come with holding the certification (Diez-Busto et al., 2021).

REPORTING GUIDANCE

In June 2021, the U.S. House of Representatives passed the ESG Disclosure and Simplification Act, which requires the Securities and Exchange Commission (SEC) to create a standard definition of ESG metrics and mandates standardizing ESG disclosures (Cohn, 2021b). Although many publicly traded entities recognize the benefits of disclosing environmental and sustainability information, sustainability reporting guidance is currently in flux in the US. In mid-2022, the Securities and Exchange Commission (SEC) issued a proposal to amend rules and reporting forms, promoting consistent, comparable, and reliable information for investors regarding funds' and advisers' incorporation of environmental, social, and governance (ESG) factors (SEC, 2022). Although the proposal would not be required for all US businesses, it would apply to registered investment advisers, advisers exempt from registration, registered investment companies, and business development companies (SEC, 2022). The proposal would establish standardization for ESG reporting, with a focus on reporting factors that are challenging to measure, such as natural capital. With the demand for and deliverance of ESG information, the acceptance of mandatory reporting proposal seems almost inevitable .

In 2022 while the SEC was deliberating mandatory disclosures rules, the European Union (EU) adopted new requirements for ESG disclosure (Lipton et al., 2022). The EU achieved this through a political agreement that will soon become law, regarding the Corporate Sustainability Reporting Directive (CSRD). The CSRD is more extensive than the current SEC proposals as it requires a larger number of entities and topics that must be reported with much more detail. Companies will be required to include this information in a separate section of the management report, which will be subject to audit. Due to the broad scope of entities that will fall under the CSRD, U.S. companies conducting business in the EU will be required to produce ESG reports, even if they are not listed on a European exchange (Lipton et al., 2022).

After many months of debate on climate-related disclosures, the SEC finalized its rule deliberations in March 2024, requiring U.S.-listed companies to disclose certain climate-related information in their registration statements and annual financial statements. The *Enhancement and Standardization of Climate-*

Related Disclosures for Investors (SEC, 2024) mandated the disclosure of climate-related risks that could materially impact an entity's business or financial statements, which an investor may consider important when making an investment or voting decision. The Information was required to include the results of severe weather events and greenhouse gas emissions, together with data about progress on any climate-related goals.

The disclosure decisions were extensive covering 800 pages of text and represented a major shift in guidance. The new reporting expanded disclosures to provide detailed information not previously available, which would require entities to reevaluate and adopt significant data collection, as many of the data elements included comprehensive environmental and climate risk exposures (Murphy, 2024). By enforcing environmental climate risk transparency, the disclosure rules were envisioned to provide investors with comparable information to make informed decisions (South, 2024). Shortly after the issuance of the reporting guidance, lawsuits challenging the SEC rule were filed by states, corporations, trade associations and environmental groups. The challenging arguments claimed that the guidelines were arbitrary and capricious, and that the SEC did not have the authority to mandate climate-related disclosure without congressional authority. Ultimately, the Fifth Circuit Court of Appeals issued a stay to the SEC disclosure rule (Addisu & Mu, 2025).

In Spring 2025, the SEC announced it would no longer defend the climate-related disclosure rules adopted in March 2024 which effectively ended any SEC climate-related disclosure efforts (SEC. 2025). Although this action represents a major shift at the federal level, climate-related disclosure requirements continue to be enforced at other levels under laws such as California SB 253 (Knachel et al., 2024) and the international Corporate Sustainability Reporting Directive (deVillers et al., 2024). Each guide requires public and private companies to disclose their greenhouse gas emissions and climate-related financial risks, including mitigation strategies.

In December 2024, the Financial Accounting Standards Board (FASB) released a proposed accounting standard update (ASU) that, when issued, will become part of the financial statements and be subject to audit review (Deloitte, 2024). The FASB project on environmental credit programs aims to improve the recognition, measurement, presentation, and disclosure requirements pertaining to environmental credits, as well as compliance obligations that may be settled with environmental credits, if appropriate. The ASU is not expected to be issued in 2025 and is not effective until sometime later (FASB, 2024). The proposed reporting guidance, when issued, is expected to have a significant impact, given the large number of US companies with operations subject to emission regulations that acquire environmental credits (Deloitte, 2024). Environmental credits and liabilities are not addressed currently in US GAAP.

Neither the EU nor SEC sustainability reporting guidance are subject to auditor review as there are separate and apart from the financial reporting. One of the prevalent concerns of the new trend of sustainability reporting is the assurance of the validity of sustainability information published by companies. Assurance services for financial reporting are usually conducted by accounting firms with licensed Certified Public Accountants (CPAs). The assurance is guided by an agreed upon framework, usually the generally accepted account principles (GAAP). However, without a formally established body tasked with oversight of sustainability reporting, which is completely voluntary in the U.S., companies are free to choose assurance services, or not, from virtually any source.

CONCLUSION

Due to the information revolution and globalization of the last century, the public and consumers are more aware than ever of the social and environmental impact of corporations and their activities. No longer can a company hide its labor contracts in third-world factories or have ecological disasters not make national or international headlines. In response, companies need to do a better job of communicating their social and environmental impacts to investors, shareholders, consumers, and others. Sustainability reporting, even with its lack of comparability and omissions, provides the report reader with the company's people, planet and profit priorities and achievements. Given the information contained in the sustainability report, investors. shareholders and consumers have the information to make sustainable and ethical choices.

As sustainability reporting continues to gain momentum and more entities begin preparing sustainability reports, a unified reporting standard and format will likely emerge. Common and comparative sustainability data will enable reporting entities to become more mindful and sensitive to the effects they have throughout their supply chain, from raw materials to the completed product or service. The increase in sustainability reporting should also result in unified reporting guidance oversight by international or domestic standard setters. The remaining question is whether sustainability reporting will become mandatory for companies or if the current voluntary reporting format prevails. Regardless, there is no doubt that sustainability reporting will become more mainstream as shareholders, investors, and regulators discover the rich information contained in these reports.

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