



Short Communication

International Sustainability Reporting and Its Significance in Enhancing Global Corporate Transparency

Helena Forsberg

Department of Sustainability Accounting, Nordic Institute of Global Business Studies, Sweden

E-mail: helena.forsberg@nigbs.se

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Abstract

International sustainability reporting refers to the disclosure of environmental, social, and governance performance by firms operating across national borders. This study examines the role of sustainability reporting in promoting transparency, accountability, and stakeholder trust in global business environments. It explores global reporting frameworks, regulatory influences, and reporting practices adopted by multinational enterprises. The paper highlights challenges related to data consistency, reporting comparability, and regulatory diversity. It also discusses the strategic importance of sustainability disclosure for risk management and corporate reputation. By integrating sustainability accounting and international business perspectives, this study emphasizes that effective international sustainability reporting enhances transparency, supports informed decision-making, and contributes to long-term global business sustainability.

Keywords: International Sustainability Reporting, ESG Disclosure, Corporate Transparency, Global Reporting Standards, Sustainable Business, Stakeholder Accountability.

INTRODUCTION

International sustainability reporting has become a central component of corporate communication for multinational enterprises operating in complex global environments. As stakeholders increasingly demand transparency regarding environmental, social, and governance performance, firms are under pressure to disclose sustainability-related information in a credible and comparable manner. Sustainability reporting supports accountability and informed stakeholder engagement across borders. The globalization of business activities has intensified the importance of standardized sustainability reporting. Multinational firms operate across jurisdictions with diverse regulatory requirements and stakeholder expectations. Harmonized reporting frameworks help address inconsistencies and enhance comparability. Standardization supports global transparency (Kolk, 2003).

Environmental disclosure is a key element of international sustainability reporting. Firms report on emissions, resource consumption, and environmental impact. Environmental transparency supports climate accountability. Disclosure enhances environmental governance. Social reporting addresses issues such as labor practices, human rights, and community engagement. Social performance affects corporate reputation and stakeholder trust. Transparent social reporting strengthens legitimacy. Social accountability supports sustainable operations. Governance disclosure focuses on board structure, ethical conduct, and risk management. Strong governance reporting signals accountability and integrity. Governance transparency reduces agency risk. Ethical governance enhances trust.

Global reporting frameworks such as integrated reporting and sustainability standards guide international sustainability disclosure. These frameworks provide structure and comparability. Adoption supports reporting quality. Framework alignment enhances credibility. Data quality and measurement challenges remain significant in international sustainability reporting. Differences in data collection methods and metrics affect reliability. Firms must invest in robust reporting systems. Data accuracy strengthens confidence. Digital technologies increasingly support sustainability reporting processes. Digital platforms enable data collection, analysis, and dissemination. Technology enhances reporting efficiency. Digital transparency supports stakeholder access (Stolowy & Paugam, 2023).

Regulatory developments influence sustainability reporting practices worldwide. Governments introduce mandatory disclosure requirements. Regulatory alignment enhances compliance. Policy pressure drives transparency. Strategic integration of sustainability reporting into corporate decision-making enhances its value. Reporting is no longer a compliance exercise but a strategic tool. Integrated reporting supports long-term value creation. Sustainability integration strengthens competitiveness.

The growing importance of international sustainability reporting is closely linked to rising stakeholder awareness of global environmental and social challenges. Investors, regulators, customers, and civil society increasingly expect firms to demonstrate responsible behavior through transparent disclosure. Sustainability reporting serves as a communication bridge between multinational enterprises and their diverse global stakeholders. Enhanced disclosure improves trust and legitimacy in international markets.

Capital markets play a significant role in driving sustainability reporting practices. Investors increasingly integrate ESG information into investment decisions, risk assessment, and portfolio management. High-quality sustainability reports reduce information asymmetry and support better capital allocation. Reporting transparency strengthens investor confidence and market efficiency. International sustainability reporting also supports corporate risk management. Disclosure of environmental and social risks enables firms to identify vulnerabilities related to climate change, supply chain disruptions, and regulatory compliance. Proactive reporting encourages early risk mitigation. Risk-aware disclosure enhances organizational resilience (Hummel & Jobst, 2024).

Supply chain transparency has become a major focus of sustainability reporting for multinational enterprises. Global supply chains often involve complex networks across developing and developed economies. Reporting on supplier practices promotes accountability and ethical sourcing. Supply chain disclosure strengthens global responsibility. Comparability remains a critical challenge in international sustainability reporting. Differences in reporting standards, metrics, and assurance practices limit cross-country comparison. Efforts toward harmonization improve consistency and usability of reports. Comparable data enhances stakeholder decision-making (Simnett et al., 2009).

Assurance and verification of sustainability reports contribute to reporting credibility. Independent assurance enhances reliability and reduces greenwashing concerns. Verified reporting builds stakeholder trust. Assurance strengthens reporting integrity. The integration of sustainability reporting with financial reporting reflects an evolving reporting landscape. Integrated reporting links financial performance with ESG outcomes, demonstrating how sustainability creates long-term value. Integration supports strategic alignment. Value-oriented reporting enhances corporate credibility.

Emerging technologies such as artificial intelligence and data analytics are transforming sustainability reporting processes. Automated data collection and real-time monitoring improve accuracy and timeliness. Technology-driven reporting increases efficiency. Digital innovation strengthens transparency. Developing economies face unique challenges in international sustainability reporting. Limited infrastructure, regulatory gaps, and data constraints affect reporting quality. Capacity-building initiatives support improved disclosure. Inclusive reporting strengthens global participation (Arena & Azzone, 2012).

Overall, international sustainability reporting continues to evolve as a strategic instrument rather than a mere compliance requirement. Firms that adopt comprehensive, transparent, and credible reporting practices demonstrate commitment to sustainable development and global accountability. Effective sustainability reporting supports long-term value creation and strengthens international business legitimacy.

CONCLUSION

International sustainability reporting plays a vital role in enhancing corporate transparency and accountability in global markets. This study highlights that standardized frameworks, data quality, and strategic integration strengthen reporting effectiveness. Multinational enterprises that prioritize sustainability reporting are better equipped to achieve long-term global sustainability and stakeholder trust.

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