Pak. j. life soc. Sci. (2024), 22(2): 18501-18511 E-ISSN: 2221-7630;P-ISSN: 1727-4915

Pakistan Journal of Life and Social Sciences
www.pjlss.edu.pk

https://doi.org/10.57239/PJLSS-2024-22.2.001355

RESEARCH ARTICLE

Sustainable Financing - The Focus of the GRI Principles on Non-Financial Information

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ARTICLE INFO

Received: Oct 16, 2024

Accepted: Dec 4, 2024

Keywords

Non-financial reports
GRI
SDGs
Sustainable finance
Directive 2014/95/EU

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ABSTRACT

The reporting of information to market and society started from the need of companies demonstrate their practices in relation to the practices labor and compliance of its operations with the Universal Declaration of Human Rights. The first social reports appear, which later evolve with society's expectations and now include information on environmental practices. As the concept of sustainability evolves, other topics are included and we arrive at the Sustainability Reports as we know them today. Non-financial reporting is associated with increased stakeholder interest in sustainability aspects of the organization's performance and in how companies approach their broader responsibilities. Following the publication of Directive 2014/95/EU, of 22 October 2014, companies falling within the scope of the directive on the disclosure of non-financial information have to communicate relevant data relating to their supply chains. The annual report of companies is expected to play a very important role in communicating progress on the Sustainable Development Goals (SDGs) and, at the same time, provide a means to publicize the strategy, operations and performance of companies. While the financial information disclosure models are stabilized and harmonized, in the case of non-financial information, this harmonization and standardization does not yet exist. In addition, the disclosure of this information is mandatory and is audited, an important factor that increases its credibility. But with the obligation to disclose this information, an effort is being made to standardize criteria, indicators and metrics. This study allows us to state that the preparation of non-financial reports in accordance with the guidelines of the Global Reporting Initiative (GRI) provides the companies covered with comprehensive information on the material matters of an organization, their respective impacts and also the way they are managed.

INTRODUCTION

The idea that the planet's natural resources are scarce and finite is relatively old. However, in recent decades, it has known a dissemination never seen before, while assuming an equally unprecedented importance and urgency. This is how several concepts relevant to the understanding of the phenomenon gradually emerged and spread – or acquired new meanings. This is the case of the notion of sustainability, generally understood as the preservation of the existing balance in a given context, despite its dynamic nature – or, more specifically, the use of natural resources in a way that does not compromise their renewal. It is also the case of the concept of sustainable development seen as a process of change in which the exploitation of natural resources, the direction of investments, the orientation of technological progress and institutional changes are implemented in a way that reconciles the needs of the present with the needs of

the present. of future generations. It is also important to refer to notions such as the 3-R (reduce-reuse-recycle), associated with the concept of circular economy – an economic system focused on preserving the value of resources, minimizing waste and encouraging continuity in the economic circuit even after ending the life cycle of products, by using them to create additional value3. It is also relevant to point out the gradual broadening of the scope in which these questions are raised, particularly reflected in the consideration of sustainability in terms of the three environmental, social and governance dimensions of the institutions (ESG – environmental, social and corporate governance).

The growing awareness of sustainability issues at a global level was particularly marked by certain initiatives that had a catalytic effect on public opinion and decision-makers. One of these initiatives began in September 2000, at the United Nations Millennium Summit, with the launch of the Millennium Development Goals (MDG), at that time to be achieved by 2015. Oriented towards developing countries and focused in a relatively small set of eight categories, the MDGs are usually considered a case of success in the fight against poverty, having registered quite appreciable degrees of execution. Another of the most relevant references, specifically in the field of environmental issues, was the Kyoto Protocol, adopted in December 1997, also within the scope of the United Nations. It stands out above all for being the first major agreement to place the issue of climate change at the center of the debate, advocating targets for the reduction of greenhouse gas (GHG) emissions.

METHODOLOGY

Qualitative research, based on a literature review and mainly on official non-financial reports documents particularly analysis of norms/legislation. The methodology is suitable for collecting information within the scope of the study of subjective phenomena, which, in the opinion of Yin (2016), favors a more critical position on the part of the researcher.

SUSTAINABILITY

In this context, social and technological changes, associated with the inappropriate use of natural resources, raised awareness of the environment. From there, the concepts of Sustainability and Sustainable Development arise, which go beyond the preservation of the environment. This plurality of concepts involves a series of interdependent, transdisciplinary variables capable of integrating social, environmental and economic issues (Jacobi, 2003). The notion of sustainability is based on the understanding that natural resources are finite, meaning that if we do not preserve and pay attention to the use of resources, their scarcity will increase, running the risk of disappearing completely. Sustainable development is the process of meeting the needs of the present without compromising the ability of future generations to meet their own needs (World Commission on Environment and Development, 1987). The dimensions of sustainable development are social, economic and environmental, and must be considered together. Sustainable Development seeks to harmonize present and future needs in order to build an inclusive, sustainable and resilient future for people and the planet. It consists of 3 pillars: Environment, Economy and Society. These must be in balance in order to achieve sustainability. Climate change, deforestation, the reduction of biodiversity, water pollution and issues of public health, gave rise to a set of problems and their recognition as a concern on a global scale (Journeault et al., 2021). Thus, the growing depletion of the planet and its ecosystems, namely the scarcity of resources, has led, for some years now, to a growing concern on the part of companies and the academy, in the development of models to support decision-making, generating added value in the economic, social and environmental domains (Hoffman & Bazerman, 2005).

There has been a worldwide mobilization around sustainable development for some years now, highlighting the approval of the Millennium Declaration by the General Assembly of the Organization of United Nations (UN) in September 2000, which gave rise to the emergence of the 8 Millennium Development Goals (MDGs) that guided the agenda internationally for 15 years (2000-2015). In September 2015, at the UN Summit in New York, the 17 Sustainable Development Goals (SDGs) were approved, heirs to the results achieved by the 8 MDGs, which constitute the new Agenda 2030 (United Nations, 2015) which will be in force until 2030.According to Fidlerová et al. (2022), the SDGs can be the main drivers of business

competitiveness and an opportunity recognized by all, however, according to some researchers the impacts of COVID 19, on the global economy, are a serious threat to achieving the SDGs by 2030. On the other hand, the European Commission, 2019, with the European Ecological Pact, "European Green Deal", adopted a set of legislative proposals with the aim of making European Union (EU) policies on climate, energy, transport and taxation best suited to achieve a reduction in net greenhouse gas emissions of at least 55% by 2030 compared to 1990 levels. The purpose is to make the more sustainable economies and ensure Europe's carbon neutrality by 2050 and make Europe the world's first climate neutral continent.

SUSTAINABLE FINANCING

The transition to higher levels of sustainability and to a logic of circular functioning of economies is such a diversified and profound process that it implies the broad involvement of society. Particularly in the context of the response to climate change, the mobilization of large investments requires a significant increase in the involvement of the private sector – and, in particular, the financial system. These financial flows associated with said transition also represent investment opportunities with significant potential in terms of accelerating technological progress and creating value – as well as, therefore, boosting economies and expanding employment. It is within this framework that the growing relevance of sustainable finance is inserted – understood, in a broad sense, as the set of aspects of an economic and financial nature that are, in some way, related to the promotion of activities and behaviors considered sustainable, according to the ESG prism. Applying the same perspective to the specific domain of the environment, we speak of green finance – particularly in focus due to the dimension assumed by the theme of climate change, also in this aspect. The increased importance attributed by public opinion and decision-makers to sustainability and sustainable financing, once again mainly driven by the issue of climate change, has also increasingly determined its inclusion on the agendas of the main authorities and international financial organizations. For example, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), set up within the scope of the FSB, and the Action Plan to finance the sustainable growth of the European Union (EU).

Sustainable financing has as its main objective the financing decision taking into account the environmental, social and governance (ESG) impacts (European Commission). From an investor's point of view, sustainable financing is based on the integration of ESG criteria, ie environmental, social and governance, into investment decisions. When talking about a business vision, sustainable finance aims to achieve corporate sustainability by integrating sustainable practices (BCSD Portugal). In 2015, reference international agreements were signed, with the adoption of the United Nations 2030 Agenda and the Sustainable Development Goals and the Paris Climate Agreement (European Commission). Carbon neutrality was one of the objectives imposed by the financial system in response to the Paris Agreement, making it necessary to redirect private capital towards more sustainable investments for a greener economy (BCSD Portugal).

In 2018, the European Commission developed a policy agenda, which included the Action Plan to Financing Sustainable Growth, where the financial sector has been assuming a clear role in the transformation to a green financial sector. A set of legislative factors were defined, with the aim of accelerating the link with sustainable finance (European Commission):

• Reorient financial flows to benefit sustainable activities and businesses.

• Promote better management of financial, social and environmental risks, with a view to promoting transparency and a long-term vision for the sector.

In order to achieve compliance with the established objectives, it is necessary to reinforce the measures, with regard to the non-financial reporting of companies, to develop a taxonomy, which is one of the factors with the greatest impact, as it will allow obtaining a sustainability classification for its activities. and investments (BCSD Portugal). Another measure is the inclusion of environmental risks in the risk analysis of banking and insurance companies and the creation of low carbon standards and benchmarks (European Commission).

The European Commission, in September 2020, presented the climate target plan for 2030, with the main objective of reducing emissions. and announced the launch of the Renewed Europe Strategy for Sustainable Financing, with the aim of providing the policy instruments to further connect the financial sector and its stakeholders towards sustainability, as well as support recovery from the negative impact of the COVID pandemic -19. The three-pronged strategy aims, first, to strengthen the foundations for sustainable investment, as financial and non-financial companies are still not focused on long-term opportunities and challenges. The second aspect is to increase opportunities for stakeholders, thus creating a positive impact with green finance. The last aspect is the integration and management of climate risks in the financial system, also taking into account social risks (BCSD Portugal).

SUSTAINABLE DEVELOPMENT AND SUSTAINABILITY BUSINESS

At the end of the 20th century, world politics adopted sustainable development as a leadership model for the development of society (Waas et al., 2011). For these authors, sustainable development is a concept that associates economic and social development with the preservation of the environment and that, over time, has given rise to various interpretations and investigations. Hopwood et al. (2005) highlight in their research that although sustainable development is a widely used concept, it has many different meanings and, in consequently gives rise to different responses. These authors argue that there is no unified philosophy and consider that, generically, the concept of sustainable development is a attempt to combine growing concerns about a range of environmental issues with socio-economic issues and that this has the potential to address fundamental challenges to the humanity in the present and in the future. Bolis et al. (2014) reported that the concept of sustainable development was formally adopted in 1972 at the 1st world conference on man and the environment (Conference of Nations Nations held in Stockholm) and which were based on scientific issues related to sustainability. These authors also point out the existence of many definitions and visions of sustainable development, associated with different disciplines, interests and perspectives, whose convergence is based, on the vision of sustainable development, as a link that associates environmental, social and economic aspects simultaneously in the short, medium and long term. and long term. The Triple Bottom Line concept introduced by Elkington in 1998 is based on the inexistence of prosperity without considering one of these aspects and on The Two Tiered Sustainability Equilibria concept, which Lozano (2008) introduced ten years later and which is based on the complex and dynamic balance between economic, environmental and social aspects and short, medium and long term perspectives.

Bansal & Desjardine (2014) define sustainability in line with the most commonly used definition, in the 1987, World Commission on Environment and Development (WCDE) definition, and consider that, according to this definition, the principles of sustainability are indisputable. These authors also state that sustainability aims to guarantee intergenerational equity and that, based on this logic, the Corporate sustainability can be defined as the ability of companies to respond to their short-term financial needs without compromising their ability or that of others meet your future needs. Sustainability challenges business decision-makers to manage resources not just at a given point in time, but over time. In the business context, Schaltegger & Burritt (2005) define business sustainability as the contextual integration of economic, environmental and social aspects, including, according to Johnson & Schaltegger (2016), the environment in business management oriented towards the economic dimension of the business. Dyllick & Muff (2016) argue that at a time when more and more companies claim to manage their businesses sustainably, it is important to distinguish between those that do effectively and those that do not. In this sense, they present a concept of corporate sustainability centered on the effective contribution of companies to sustainable development. This concept encompasses corporate sustainability 1.0 (management oriented towards shareholder value); corporate sustainability 2.0 (management oriented towards the Triple Bottom Line) and corporate sustainability 3.0 (true sustainability, supported by truly sustainable businesses). For these authors, sustainability requires the integration of social and environmental issues with economic issues and the positive contribution of companies to society and the planet, through their contribution to the resolution of sustainability issues. In general, sustainability is

associated with a very broad and multifaceted concept that has recently fostered a significant scientific debate and generated great interest in the academic, social and business context (Bartolacci et al., 2020), however, despite despite all efforts, there is no generic definition accepted in the literature (Martins. et al., 2022).

MEASURING WHAT IS SUSTAINABLE

As a prior step to setting realistic objectives and metrics, which allow monitoring the transition towards a more sustainable economy or the management of associated risks, there is a need to have a common understanding of when an economic activity is considered to be sustainable. Thus, with the aim of establishing a commonly accepted classification system for activities, the so-called taxonomies have been developed, which for the moment have basically focused on environmental impact. By providing a harmonized definition of what is considered green, the taxonomies create security for companies, investors and public policy managers, avoiding the so-called "greenwashing" or ecological laundering (that is, the practice by which some companies could present an investment as respectful with the environment although in reality it is not, or is so in a minimal amount), helping companies to make their transition towards a more sustainable economy, and mitigating the possible fragmentation of the market. The “criteria for determining whether an economic activity qualifies as environmentally sustainable” are set out in EU Regulation 2020/852 of 18 June 2020. Accordingly, to be considered as “environmentally sustainable”, an economic activity must contribute substantially to one or more of the environmental objectives - climate change mitigation; adaptation to climate change; sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems - and not cause any significant detriment to any of these objectives. The activity must also be exercised while respecting the minimum guarantees set out in Article 18 (guiding principles of the OECD and the United Nations, the ILO conventions, Human Rights etc.). And it must comply with the technical review criteria established by the Commission (Substantial contribution to each of the environmental objectives, Art. 10 to 15).

In order to increase transparency, and for financial market participants to provide end-investors with an objective point of comparison regarding investments that finance environmentally sustainable economic activities, the European Union has supplemented the transparency rules with non-financial information disclosure obligations for companies above a certain size. In general, while the disclosure of the financial statements of companies is clearly defined by national and international norms and standards, the publication of non-financial information is barely regulated. An initial context marked by voluntary disclosure of information in the early years of this century has been followed by a profusion of standards of various kinds. One of the first standards to emerge was that of the Global Reporting Initiative (GRI), which since its creation in 2000 has been providing standards for organizations to use a common language in their sustainability impact reporting. Subsequently, with the aim of providing a unified report, other initiatives emerged, such as the International Integrated Reporting Council (IIRC). In the field of accounting, it is worth noting the standards issued by the Sustainability Accounting Standards Board (SASB), whose use today has become quite widespread among investors. For its part, the Task Force on Climate-related Financial Disclosures (TCFD) has established a series of recommendations regarding the disclosure of climate-related non-financial information to ensure that it is consistent, reliable and clear.

Regulators and supervisors have also been promoting and, in some cases, making the adoption of disclosure and reporting standards mandatory. Thus, the Community Non-Financial Information Disclosure Directive (NFRD) established in 2014 the requirement for large companies (with more than 500 employees) to publish non-financial information on their impact on society and the environment. At the end of 2019, the European Commission began a consultation process aimed at revising the NFRD Directive to reinforce the disclosure requirements in relation to sustainability aspects. Additionally, in order to offer transparent information to the market, various providers have emerged that classify companies based on their degree of compliance with ESG criteria. These providers can be classified into three broad categories: fundamental, comprehensive or specialized. Fundamental data providers are those that collect and aggregate public data,

without using their own rating methodology or providing scores on companies. Refinitiv and Bloomberg are two examples of this type of provider. Second, comprehensive providers are those that combine objective and subjective data to develop their own rating methodology, ultimately giving each company a score. Some examples within this category are MSCI, Sustainalytics or Vigeo Eiris. Finally, specialized providers calculate metrics of specific ESG attributes, such as the measurement of the carbon footprint, governance, human rights or gender diversity. Examples of this type of provider are TrueCost or Equileap. ESG rating providers are playing an increasingly important role in enabling investors interested in sustainability criteria to make their decisions. However, there is still a long way to go in terms of the homogeneity of the information they provide. In this sense, various studies point to a low correlation between the ratings made by the different information providers, mainly due to differences in the attributes used to measure sustainability, in the weighting of the different attributes, or in the indicators used.

NON-FINANCIAL REPORTING AND THE GLOBAL SUSTAINABLE DEVELOPMENT GOALS (SDGS)

GRI - Global Reporting Initiative is an independent institution, whose mission is to develop and disseminate guidelines for the communication of sustainability, in a process in which the different interest groups involved participate. These guidelines can be applied voluntarily by organizations to communicate the economic, environmental and social performance of their activities, products and services. The GRI has the participation of organizations from all over the world linked to accounting, investment, the environment, human rights, research and work. The GRI Guidelines represent global best practices for public reporting of various economic, environmental, and social impacts. Sustainability reporting based on the Standards provides information about an organization's positive or negative contributions to sustainable development. To ensure that the desired objectives are achieved and an adequate response to the challenges in non-financial information, it is essential to reflect on “what to report” and “how to report”. Companies need to know how to prioritize which SDGs are most relevant to their business in terms of what adds value and sets them apart. The SDGs are a set of global goals that governments must adopt. The SDGs articulate the world's most pressing environmental, social and economic issues and provide a universal approach that companies can use to improve their sustainable development performance. In short, making the SDGs a success is critical to global business health.

According to the PWC study and with respect to 2017 non-financial reporting, SDG 13 (Climate Action), SDG 8 (Decent Work and Economic Growth) and SDG 12 (Sustainable Consumption and Production) are the three more objectives selected by the companies. In corporate reporting, companies tend to view external impacts and opportunities simply from the point of view of the organization, disregarding public opinion. It turns out that 74% of respondents said they would be more likely to use the goods or services of organizations involved with the SDGs. The study suggests some misalignment between what companies seek to prioritize and the study results on what citizens consider the most relevant objectives. Therefore, the decision-making process behind prioritizing one objective over another must prioritize the integration of consumer opinion in the definition of sustainability objectives and reports in sustainability reports, with the expectation of improving their reputation and recognition. by the companies.

SUSTAINABILITY REPORTS

The awareness of entities and stakeholders about the impacts of organizations on society and the environment has been gaining relevance. In the decision-making process, the disclosure of information is an essential factor, that is, the more transparent the organizations are, the better decisions are made. This information can be financial or non-financial. One of the ways of reporting information not financial is through the elaboration of sustainability reports. To this end, various systems can be used that support the disclosure of social responsibility practices, one of which is the use of the GRI Standards (international standard for sustainability reporting) that allow reporting economic, environmental and social impacts, thus increasing the responsibility and transparency of entities regarding their contribution to sustainable development (Guthrie & Farneti, 2008; Lamprinidi & Kubo, 2008; Muñoz et al., 2020).

The communication of information on Corporate Social Responsibility (SER) is carried out largely through Sustainability Reports, which seek to reflect what companies do in economic, social and environmental terms. Sustainability reports can be proof of a company's commitment to sustainable social development (Gray & Milne, 2014). Currently, although there is no mandatory reporting standard, the most widely used model worldwide are the GRI standards (KPMG, 2022). Global concern in terms of climate change adds pressure to companies and the present investigation. Governments and capital markets around the world have led the way in making disclosure of non-financial information mandatory, so what are currently voluntary guidelines may eventually become regulated requirements (KPMG, 2021). Sustainability reporting is the practice of measuring, disclosing and being accountable to internal and external stakeholders for organizational performance oriented towards sustainable development. The document should provide a balanced and sensible description of the reporting organization's sustainability performance, including both positive and negative information.

A sustainability report based on the GRI guidelines discloses the results achieved during the reporting period, in the context of the organization's commitments, strategy and management approach. Among other purposes, it can be used as:

• Benchmarking and evaluation of sustainability performance against laws, regulations, codes, performance standards and voluntary initiatives;

• Demonstration of how the organization influences and is influenced by the expectations of sustainable development;

• Comparison of performance within the organization and between different organizations over time.

According the GRI guidelines for the preparation of sustainability reports include the principles, guidelines and performance indicators. All these elements have the same weight and importance. Part 1 covers the definition of the content, quality and limits of the Report. To help determine what to report, this part covers the principles of materiality, stakeholder inclusion, sustainability context, and completeness, with a small set of tests for each. The application of these principles determines the topics and indicators to be disclosed. The principles of balance, comparability, precision, periodicity, reliability and clarity, together with evidence, can be used in favor of the quality of the information. In part 2, the Guidelines identify the information to be disclosed, which is relevant and essential to most organizations and interested parties, in three categories of content:

• Profile: information that establishes the general context for understanding organizational performance, such as its strategy, profile, and governance;

• Management approach: content that describes how the organization approaches a particular set of issues to provide the context for understanding performance in a specific area;

• Performance indicators: comparable information on the economic, environmental and social performance of the organization.

Performance information needs to be contextualized. The reports must answer how the organization contributes or intends to contribute in the future to the improvement or deterioration of economic, environmental and social conditions at a local, regional or global level. In addition, it may be necessary to distinguish between trends or patterns of impacts across operations versus contextualizing performance from one location to another. The organization's own business and sustainability strategy provides the context for the performance discussion. The relationship between sustainability and organizational strategy must be clear, as well as the context within which performance is reported.

GRI STANDARDS

According to GRI Standards (2022), there are ten principles that it considers essential to produce a balanced and reasonable report on the economic, social and environmental performance of a company.

1- Inclusiveness of interest groups: it focuses on guiding the entire reporting process and is intended to encourage companies to address the issues that the respective interest groups consider most important.

2- Materiality: the information reported must cover topics that reflect the significant economic, environmental and social impacts of the organization. Boundary materiality defines when an issue becomes significant enough to be reported.

3- Context of sustainability: the company contributes, or intends to contribute in the future, to the improvement or deterioration of economic, environmental and social conditions at a local, regional and global level.

4- Integrity: considers that the report should include sufficient coverage of material topics to reflect the significant economic, environmental and social impacts, thus allowing stakeholders to evaluate the performance of the company in the period covered by the report.

5- Balance: the reports must reflect the positive aspects, but also the negative aspects of the organization's performance, to allow a balanced evaluation of its overall performance.

6- Accuracy: refers to the fact that the report must be precise and detailed enough, the margins of error must be minimal so as not to influence the opinion of the readers.

7- Comparability: it must allow readers to analyze the changes in the organization's performance over time and also allow the evaluation of this performance against other companies.

8- Principle of Reliability: implies that companies must register and disclose the information and processes used in the preparation of the report in order to establish the quality of the data and information published and allow its external review, which, if it occurs, must identify the respective scope and extent.

9- Clarity: the organization must ensure that the information is made available to the maximum number of readers in a way that is understandable and accessible to all parties interested in the report.

10- Punctuality: requires a regular reporting schedule so that the information is available on time. This principle refers both to the regularity of the report and its proximity to the actual events described in the report.

The GRI Standards are global standards and have a modular and interrelated structure. They are divided into GRI 101: Foundation, GRI: 102: General contents and GRI 103: Management approach.

GRI 101 - Foundation contains the fundamental principles to guarantee transparency in the reporting process and provide comparability between different types of organizations and companies.

GRI 102 - General Disclosures cover relevant information for the identification of the company preparing the report that may be of interest to the majority of interested parties. Specifically, they include information on the organization's profile, strategy, ethics and integrity, governance model, stakeholder engagement practices and the reporting process (GRI 102: General Contents 2016).

GRI 103 - The Management Approach provides information on how the organization manages each material topic, in the economic, environmental and social areas. In this way, it is clear why a certain topic is material, what are the respective impacts and how the organization generates these impacts.

Specific thematic GRI Standards are used to report on material topics in the economic (200 Series), environmental (300 Series) and social (400 Series) fields (GRI 103: Management Approach 2016). Each of these three categories includes disclosures about the management approach in that respective area and a set of disclosures. Some of these are considered applicable to most organizations, designated as primary disclosures. Emerging practices may be considered material to only some organizations and therefore designated as additional disclosures (GRI 103: 2016 Management Approach). GRI recommends the use of external audits in sustainability reports and has established quality parameters that must be observed by the audit. They must be carried out by independent entities accredited as competent both in the matters in

question and in the practice of auditing. It must be evaluated to what extent the company has applied the GRI principles, as well as the published data itself. In the end, a written report is issued and made available to the public (KPMG, 2017).

DISCUSSION AND CONCLUSIONS

The main contribution of this study to the literature results from the fact that Directive 2014/95/EU is the leverage with companies for the disclosure of non-financial information. Also the GRI guidelines on the disclosure of non-financial information guide the practice of measuring, disclosing and rendering accounts to stakeholders through specific indicators and always based on unique objectives set by the company. The availability of numerous specific indicators, together with the explanation of how they should be calculated, is of great benefit to reporting companies. The guidelines are not limited to numbers and indicators. The reports must show which topics the company has the greatest impact on and which have the greatest impact on the company (material topics) and why, in accordance with the Materiality Principle established by GRI. Through the description of the Management Approach, the company must highlight its commitment to each of these material topics, what actions are developed as a result of this commitment and how everything is integrated into the company's core business. The resulting standardization of the GRI allows good comparability between company reports.

The evolution of society has led to a greater demand on the part of the organizations' stakeholders regarding not only transparency in the activities of organizations, as well as their accountability (Abeysekera, 2013). For this reason, several organizations have been voluntarily disclosing non-financial information, mainly related to social and environmental issues, namely in sustainability reports (Chersan, 2017). While the financial information disclosure models are stabilized and harmonized, in the case of non-financial information, this harmonization and standardization does not yet exist. In addition, the disclosure of this information is mandatory and is audited, an important factor that increases its credibility. But with the obligation to disclose this information, an effort is being made to standardize criteria, indicators and metrics. The guidelines of the GRI (Global Reporting Initiative) or those of the SASB (Sustainability Accounting Standards Board) demonstrate this effort. These entities have been committed to standardizing indicators that are relevant according to the different sectors of activity. The use of the Global Reporting Initiative Guidelines for preparing sustainability reports brings clear advantages to organizations, as it provides guidelines for selecting the most relevant information and how to disclose it in an objective and measurable way, either through indicators or through information about the form of management that the organization implements to deal with matters related to sustainability. It is also an advantage insofar as the organization, when preparing the report, is not simply verifying facts related to economic, environmental and social impacts, but must also implement improvement actions in order to make its operations more sustainable over time. Content standardization leaves organizations free to organize and customize their sustainability report, combining their identity, brand image and marketing strategies they intend to undertake with the guarantee of content that the use of the GRI framework provides. From the point of view of stakeholders, the availability of sustainability reports in accordance with the GRI Guidelines by organizations allows organizations to be compared and to analyze the evolution of performance over time in ESG aspects.

The fact that the content to be incorporated is extensive implies rigorous planning and the allocation of important resources to its elaboration. Preparing and compiling the data needed to prepare sustainability reports requires companies to adjust internally. On the other hand, the added costs that exist are not comparable with the global costs that would be incurred if each organization had to develop its own model, which would certainly result in a smaller number of reports released and of questionable usefulness. Increasingly, the report needs to include information that responds to the growing expectations of stakeholders, which is why many companies disclose data not financial statements, through sustainability reports or the integration of this vision into management reports.

The importance of non-financial information has grown over the last few years, and even for investors essentially focused on corporate profitability, it is clear whereas financial information alone is not enough to understand the performance and value of a company (Leocádio, 2017). The concept of value creation is increasingly used and must be analyzed within the context of the various capitals used by the organization, be integrated into the decision-making process and financial reporting practices. Businesses will need to know how to assess their impact on the SDGs and revise their strategies accordingly, needing to collect and report new data, also evolving the way they report. Therefore, the disclosure of non-financial information is a commitment that companies increasingly assume (because it is not an option) with interest groups and society.

LIMITATIONS AND FUTURE STUDIES

Despite the contributions of this study, there are some limitations that should be highlighted. In the field of scientific research, although there are studies in the literature on the subject of corporate sustainability and some studies on non-financial reports, which served as the basis for this study, there were some difficulties associated with the dispersion of concepts and the multidisciplinary approach associated with corporate sustainability and non-financial reporting, making it sometimes complex to objectively obtain data in some areas of this study. Thus, it is suggested for the future to carry out more studies that are based on systematic reviews of the literature on those topics, given that they may allow obtaining an integrated view of the variables and dimensions that are associated with them.

Conflict of interest: The author declares the non-existence of conflicts of interest.

Contribution by author: The author is responsible for all components of this work.

Funding or funds: No financial support was provided.

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