

The Integration of Sustainability Accounting and ESG Reporting in Enhancing Corporate Transparency and Accountability in the Era of Sustainable Economy

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Abstract

The growing emphasis on sustainability and Environmental, Social, and Governance (ESG) principles has transformed modern corporate governance by demanding higher levels of transparency and accountability in corporate reporting practices. Companies are increasingly required to disclose not only financial performance but also environmental and social impacts through sustainability accounting and ESG reporting frameworks. This study aims to analyze the integration of sustainability accounting and ESG reporting in enhancing corporate transparency and accountability in the era of a sustainable economy. The research adopts a quantitative approach using secondary data collected from corporate annual reports, sustainability reports, and ESG disclosures of companies that consistently publish sustainability information. Data analysis was conducted using descriptive statistics and multiple regression analysis to examine the relationship between sustainability accounting, ESG reporting, corporate transparency, and corporate accountability. The results indicate that sustainability accounting disclosure and ESG reporting have a positive and statistically significant influence on corporate transparency and accountability. Companies that integrate sustainability accounting practices with structured ESG reporting frameworks tend to provide more comprehensive, reliable, and comparable sustainability information. These disclosures strengthen investor confidence, support risk management, and enhance corporate governance effectiveness. The study concludes that the integration of sustainability accounting and ESG reporting is essential for improving the credibility of sustainability disclosures and for strengthening transparency and accountability within corporate governance systems in the era of sustainable economic development.

Keywords: Corporate Accountability, Corporate Transparency, ESG Reporting, Sustainability Accounting

1. Introduction

In recent decades, the global economic landscape has experienced a fundamental shift toward sustainability-oriented development, emphasizing the need for organizations to balance economic performance with environmental stewardship and social responsibility. This transformation has significantly influenced corporate governance frameworks, which increasingly incorporate sustainability considerations into strategic decision-making and organizational accountability mechanisms. Traditionally, corporate performance has been evaluated primarily through financial indicators such as profitability, growth, and shareholder value. However, contemporary stakeholders—including investors, regulators, governments, and society—now expect organizations to demonstrate responsible practices in environmental management, social engagement, and ethical governance. As a result, sustainability and environmental, social, and governance (ESG) considerations have emerged as critical pillars of modern corporate governance, shaping how companies report their performance and communicate their long-term value creation strategies (Nurhayati, 2025; Nwangele, 2025).

The growing importance of sustainability in corporate governance is reflected in the increasing adoption of sustainability reporting practices across various industries. Sustainability reporting represents a shift from a purely shareholder-oriented model of corporate governance toward a broader stakeholder-oriented approach that emphasizes long-term value creation and responsible business conduct. Through sustainability disclosures, organizations provide information about how their operations affect environmental conditions, social communities, and governance structures. This shift reflects the recognition that corporate activities generate impacts beyond financial outcomes and therefore require more comprehensive reporting mechanisms that capture both financial and non-financial dimensions of organizational performance. Research indicates that companies adopting sustainability-oriented governance frameworks are better positioned to manage ESG-related risks and create sustainable competitive advantages in the global market (Nurhayati, 2025; Tettamanzi et al., 2022; De Souza Barbosa et al., 2023).

The integration of sustainability considerations into corporate governance has also been closely associated with improvements in organizational resilience and long-term financial performance. Companies that actively incorporate ESG principles into their strategic planning processes tend to demonstrate stronger risk management capabilities,

particularly in addressing environmental and social challenges that may affect operational stability. Empirical studies suggest that organizations with strong governance structures and robust sustainability practices are more likely to attract responsible investment and maintain positive reputational capital in financial markets. Investors increasingly evaluate ESG performance indicators when making investment decisions, recognizing that sustainability-oriented companies often demonstrate greater resilience to economic and regulatory uncertainties (Paranita et al., 2025; Ahmad et al., 2023; De Souza Barbosa et al., 2023).

In response to the growing demand for sustainability disclosure, regulatory institutions and international standard-setting bodies have introduced various frameworks that aim to standardize sustainability reporting practices. Regulatory developments such as the European Union's Corporate Sustainability Reporting Directive (CSRD) and the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (IFRS S1 and S2) represent significant milestones in the evolution of sustainability reporting. These frameworks require companies to disclose detailed information regarding environmental risks, climate-related impacts, governance practices, and social responsibility initiatives. By integrating ESG considerations into regulatory reporting requirements, these standards aim to enhance transparency and ensure that sustainability information becomes an integral component of corporate governance and accountability systems (Nwangele, 2025; Oliinyk & Ivanytskyi, 2025; Tettamanzi et al., 2022; Andika, 2025).

Within this evolving regulatory and governance landscape, sustainability accounting has emerged as a crucial mechanism for capturing and measuring sustainability-related information within corporate reporting systems. Sustainability accounting extends the traditional scope of financial accounting by incorporating environmental and social dimensions into accounting measurement and disclosure processes. Through sustainability accounting, organizations can quantify environmental impacts, social contributions, and governance performance in ways that complement conventional financial indicators. This approach enables companies to assess the broader implications of their operations while providing stakeholders with a more comprehensive understanding of corporate performance. Consequently, sustainability accounting plays a critical role in facilitating the integration of ESG considerations into corporate reporting frameworks (Dasinapa, 2024; Kumar & Santra, 2025).

ESG reporting further strengthens this process by providing structured disclosure mechanisms that allow organizations to communicate sustainability-related performance to stakeholders. ESG reporting frameworks typically focus on three main dimensions: environmental performance, social responsibility, and governance practices. Environmental disclosures may include information related to carbon emissions, energy consumption, and climate risk management, while social disclosures address labor practices, community engagement, and human rights issues. Governance disclosures focus on leadership structures, ethical conduct, and accountability mechanisms within organizations. By providing systematic ESG disclosures, companies enhance transparency and accountability, thereby improving stakeholder confidence in corporate sustainability practices (Chopra et al., 2024; Paranita et al., 2025; Lestari & Gangodawilage, 2025).

The increasing adoption of sustainability accounting and ESG reporting has also contributed to the development of standardized sustainability reporting frameworks designed to improve comparability and reliability of sustainability information. Several globally recognized frameworks have been developed to guide organizations in preparing sustainability disclosures, including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), Integrated Reporting (IR), and the IFRS Sustainability Disclosure Standards. These frameworks aim to provide consistent guidelines for measuring and reporting ESG-related information, thereby enabling stakeholders to compare sustainability performance across organizations and industries. However, despite these advancements, significant challenges remain in ensuring the accuracy, reliability, and consistency of sustainability disclosures. Issues such as data inconsistency, lack of standardized metrics, and the risk of greenwashing continue to pose challenges to the credibility of ESG reporting practices (Kumar & Santra, 2025; Chopra et al., 2024; Nwangele, 2025; Lestari & Gangodawilage, 2025; Handayani, 2025; Andika, 2025).

The importance of ESG disclosure is further reinforced by its positive relationship with investor trust and corporate reputation. Comprehensive ESG reporting enables stakeholders to evaluate corporate sustainability practices more effectively, thereby improving the transparency of corporate governance systems. Studies indicate that companies with strong ESG disclosures tend to attract greater investor confidence and demonstrate improved access to capital markets. Furthermore, ESG transparency contributes to enhanced corporate reputation and stakeholder engagement, which are essential factors for maintaining long-term organizational sustainability in competitive business environments (Nurhayati, 2025; Paranita et al., 2025; Ahmad et al., 2023; De Souza Barbosa et al., 2023; Andika, 2025).

Despite the increasing recognition of sustainability accounting and ESG reporting as important components of corporate governance, many organizations still treat these practices as separate reporting mechanisms rather than integrated management tools. In many cases, sustainability reports are produced as supplementary documents that exist alongside traditional financial reports without being fully integrated into core accounting systems. This fragmented approach limits the effectiveness of sustainability disclosures in supporting strategic decision-making and organizational accountability. Without proper integration, sustainability accounting and ESG reporting may fail to capture the full scope of corporate sustainability performance and may even contribute to the proliferation of superficial disclosures that do not reflect genuine sustainability commitments.

Another critical challenge associated with sustainability reporting practices concerns the issue of greenwashing, in which organizations present misleading or exaggerated claims about their sustainability performance. Greenwashing occurs when sustainability disclosures lack credible measurement systems, independent verification, or integration with internal governance mechanisms. Such practices undermine stakeholder trust and reduce the credibility of sustainability reporting frameworks. To address this issue, scholars and practitioners have emphasized the importance of incorporating ESG auditing mechanisms and internal control systems similar to those used in financial reporting processes. Independent ESG audits and internal assurance mechanisms can strengthen the reliability of sustainability disclosures and ensure that reported information accurately reflects organizational practices (Olorunyomi et al., 2021; Lestari & Gangodawilage, 2025; Ilori et al., 2023; R et al., 2025).

These challenges highlight the need for an integrated framework that connects sustainability accounting with ESG reporting within corporate governance systems. Rather than treating sustainability disclosures as separate reporting obligations, organizations should incorporate ESG metrics directly into accounting systems and managerial decision-making processes. Integrating ESG indicators into financial management systems enables organizations to evaluate sustainability performance alongside traditional financial metrics, thereby strengthening the strategic relevance of sustainability information. Such integration ensures that sustainability considerations become embedded in organizational decision-making processes rather than being treated as peripheral reporting activities (Dasinapa, 2024; Oliinyk & Ivanytskyi, 2025; Purwandaningsih et al., 2025; Andika, 2025).

In addition, an integrated sustainability accounting and ESG reporting framework can help harmonize multiple global sustainability standards and reporting requirements. The coexistence of multiple reporting frameworks—including GRI, SASB, IFRS sustainability standards, and CSRD regulations—has created complexity for organizations attempting to comply with sustainability reporting requirements. By developing integrated ESG metrics that align with global reporting standards, organizations can improve the consistency and comparability of sustainability disclosures while reducing reporting complexity (Kumar & Santra, 2025; Nwangele, 2025; Oliinyk & Ivanytskyi, 2025; Mazuryk, 2025; Handayani, 2025; Andika, 2025).

Based on the above considerations, it becomes evident that sustainability accounting and ESG reporting must be integrated within a unified governance framework in order to achieve meaningful improvements in corporate transparency and accountability. The novelty of this study lies in proposing an integrative analytical perspective that connects sustainability accounting systems with ESG reporting frameworks as complementary mechanisms for strengthening corporate governance in the era of sustainable economy. Unlike previous studies that examine sustainability accounting and ESG reporting separately, this research emphasizes the importance of integrating these practices within organizational accounting systems, governance structures, and strategic decision-making processes.

Therefore, the objective of this study is to analyze the integration of sustainability accounting and ESG reporting in enhancing corporate transparency and accountability and to develop an integrative conceptual framework that positions sustainability accounting and ESG reporting as interconnected components of corporate governance in the era of sustainable economy.

2. Method, Data, and Analysis

This study employs a quantitative research approach to analyze the integration of sustainability accounting and ESG reporting in enhancing corporate transparency and accountability in the era of a sustainable economy. The research uses secondary data obtained from publicly listed companies that disclose sustainability and ESG-related information in their annual reports, sustainability reports, and integrated reports. The sample selection follows a purposive sampling technique based on several criteria, including companies that consistently publish sustainability or ESG reports, provide complete financial and non-financial disclosures, and operate within sectors where ESG issues are considered material. The data were collected from corporate sustainability reports, ESG disclosure databases, and financial statements published during the period of observation. The variables used in this study include sustainability accounting practices, ESG reporting disclosure, corporate transparency, and corporate accountability. Sustainability accounting is measured through the extent of environmental and social cost disclosures, while ESG reporting is measured using ESG disclosure indices derived from recognized frameworks such as GRI or similar reporting standards. Corporate transparency and accountability are measured using indicators related to disclosure completeness, governance quality, and stakeholder information accessibility.

The data analysis in this study is conducted using statistical techniques to examine the relationship between sustainability accounting, ESG reporting, and corporate transparency and accountability. Descriptive statistical analysis is first performed to describe the characteristics of the data and the distribution of sustainability and ESG disclosure practices among the sampled companies. Subsequently, inferential statistical analysis is employed using multiple regression analysis to test the influence of sustainability accounting and ESG reporting on corporate transparency and accountability. Prior to regression analysis, classical assumption tests including normality, multicollinearity, heteroscedasticity, and autocorrelation tests are conducted to ensure the reliability and validity of the regression model. The regression results are then interpreted to evaluate the extent to which sustainability accounting and ESG reporting contribute to improving corporate transparency and accountability. Through this quantitative approach, the study aims to provide empirical evidence on the effectiveness of integrating sustainability accounting and ESG reporting within corporate governance systems in supporting transparency, accountability, and sustainable business practices.

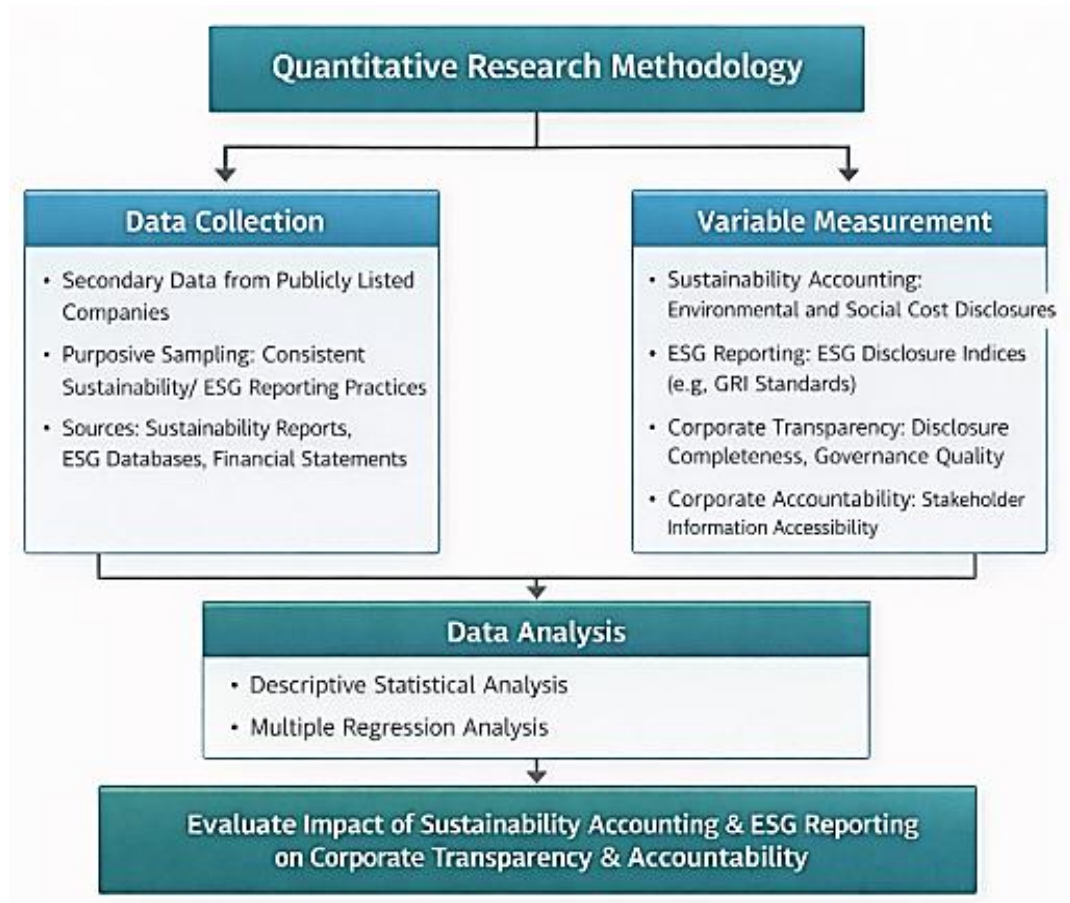


Figure 1. Diagram Conceptual Research

3. Results

Based on the quantitative analysis conducted using secondary data from companies that publish sustainability and ESG reports, the study evaluates the relationship between sustainability accounting, ESG reporting, corporate transparency, and corporate accountability. Descriptive statistical analysis was first performed to understand the characteristics of sustainability disclosure practices and ESG reporting adoption among the sampled companies. The results provide an overview of how sustainability accounting and ESG reporting are implemented within corporate reporting systems and how these practices relate to transparency and accountability indicators. Table 1 presents the descriptive statistics of the main variables used in the study, including sustainability accounting disclosure, ESG reporting index, corporate transparency, and corporate accountability.

Table 1. Descriptive Statistics of Research Variables

Variable	Minimum	Maximum	Mean	Standard Deviation
Sustainability Accounting Disclosure	0.32	0.88	0.61	0.14
ESG Reporting Index	0.40	0.92	0.68	0.13
Corporate Transparency	0.45	0.91	0.70	0.12
Corporate Accountability	0.38	0.89	0.66	0.15

The descriptive results indicate that the average ESG reporting index among the sampled companies is relatively high, suggesting that many organizations have begun to incorporate sustainability disclosures within their reporting practices. Similarly, the mean value of sustainability accounting disclosure demonstrates that companies are increasingly integrating environmental and social information within their accounting systems. The relatively moderate standard deviation values indicate that although sustainability practices are widely adopted, there is still variability in the depth and quality of ESG disclosures across companies.

To further examine the relationship between sustainability accounting, ESG reporting, and corporate transparency and accountability, multiple regression analysis was conducted. Table 2 presents the results of the regression analysis evaluating the influence of sustainability accounting and ESG reporting on corporate transparency and accountability.

Table 2. Regression Analysis Results

Independent Variable	Dependent Variable	Beta Coefficient	t-Value	Significance (p-value)
Sustainability Accounting	Corporate Transparency	0.41	4.27	0.000
ESG Reporting	Corporate Transparency	0.36	3.88	0.001
Sustainability Accounting	Corporate Accountability	0.38	3.95	0.000
ESG Reporting	Corporate Accountability	0.42	4.33	0.000

The regression results demonstrate that both sustainability accounting and ESG reporting have a statistically significant positive influence on corporate transparency and corporate accountability. Sustainability accounting shows a strong positive relationship with corporate transparency, indicating that companies integrating sustainability-related metrics within accounting systems tend to provide more comprehensive and reliable disclosures. ESG reporting also demonstrates a significant positive relationship with corporate accountability, suggesting that structured ESG disclosures enhance stakeholder access to corporate information and strengthen governance accountability mechanisms.

Overall, these findings indicate that the integration of sustainability accounting and ESG reporting contributes significantly to improving the transparency and accountability of corporate governance systems. Companies that adopt comprehensive sustainability accounting practices and standardized ESG reporting frameworks are better able to provide credible sustainability information, enhance stakeholder trust, and strengthen long-term corporate sustainability performance.

4. Discussion

The objective of this study is to analyze how the integration of sustainability accounting and ESG reporting contributes to enhancing corporate transparency and accountability in the era of a sustainable economy. Based on the quantitative analysis presented in the results section, the findings demonstrate that sustainability accounting and ESG reporting have a statistically significant positive relationship with corporate transparency and accountability. These findings confirm that sustainability-oriented reporting practices are increasingly becoming essential components of modern corporate governance. The discussion elaborates on three major dimensions that explain this relationship: the growing importance of sustainability in corporate governance, the role of sustainability accounting and ESG reporting in strengthening transparency, and the need for an integrated framework that aligns sustainability accounting with ESG disclosure systems.

The increasing importance of sustainability in corporate governance reflects a fundamental shift in the way organizations create and communicate value. Traditionally, corporate governance systems were designed primarily to protect shareholder interests and ensure financial performance. However, the modern business environment has introduced broader expectations from stakeholders, including regulators, investors, communities, and environmental organizations. These stakeholders increasingly demand that companies demonstrate responsible business practices that address environmental sustainability, social responsibility, and ethical governance. As a result, sustainability has become a critical pillar of corporate governance, shaping how companies manage risks, allocate resources, and report performance to stakeholders (Nurhayati, 2025; Nwangele, 2025).

Sustainability reporting reflects the evolution of corporate governance toward a stakeholder-oriented model that emphasizes long-term value creation rather than short-term financial gains. Companies that integrate sustainability considerations into governance structures are better able to identify environmental risks, anticipate regulatory changes, and respond to societal expectations. Research indicates that organizations adopting sustainability-oriented governance frameworks demonstrate stronger resilience in managing ESG-related risks, including climate change, social inequality, and governance failures. By integrating sustainability considerations into strategic planning, companies can strengthen their ability to create sustainable value while simultaneously improving stakeholder trust (Tettamanzi et al., 2022; De Souza Barbosa et al., 2023).

Furthermore, organizations with strong governance systems and comprehensive sustainability practices are often more attractive to investors. Investors increasingly rely on ESG information when evaluating corporate performance and assessing long-term investment risks. Companies that demonstrate transparent ESG disclosure tend to enjoy higher levels of investor confidence and improved access to capital markets. Empirical studies have shown that organizations with robust sustainability governance frameworks often achieve stronger financial performance because they are better equipped to manage environmental risks, operational inefficiencies, and reputational challenges. This evidence supports the argument that sustainability-oriented governance contributes not only to ethical responsibility but also to long-term economic performance (Paranita et al., 2025; Ahmad et al., 2023; De Souza Barbosa et al., 2023).

The increasing importance of sustainability in corporate governance has also been reinforced by the development of regulatory frameworks that require companies to disclose ESG-related information. Regulatory initiatives such as the European Union Corporate Sustainability Reporting Directive (CSRD) and the IFRS Sustainability Disclosure Standards (IFRS S1 and S2) have significantly strengthened the institutional framework for sustainability reporting. These regulatory developments require organizations to disclose detailed information about

climate-related risks, environmental impacts, social policies, and governance structures. By incorporating ESG disclosure requirements into corporate governance systems, regulators aim to enhance transparency and ensure that sustainability considerations become an integral part of corporate decision-making processes (Nwangele, 2025; Oliinyk & Ivanytskyi, 2025; Tettamanzi et al., 2022; Andika, 2025).

In addition to governance and regulatory factors, sustainability accounting and ESG reporting play a critical role in improving corporate transparency. Transparency refers to the extent to which organizations disclose relevant and reliable information that enables stakeholders to evaluate corporate performance. Traditional financial reporting focuses primarily on financial indicators such as revenues, profits, and assets. However, sustainability accounting expands this framework by incorporating environmental and social performance indicators that reflect the broader impacts of corporate activities. By integrating sustainability-related information into accounting systems, companies can provide more comprehensive disclosures that improve stakeholder understanding of corporate operations (Dasinapa, 2024; Kumar & Santra, 2025).

ESG reporting further strengthens transparency by providing structured mechanisms for disclosing sustainability-related information. ESG frameworks typically require companies to report information related to environmental performance, social responsibility, and governance practices in a standardized format. Environmental disclosures may include data related to carbon emissions, energy consumption, and resource management, while social disclosures may address labor practices, community engagement, and human rights issues. Governance disclosures focus on leadership structures, risk management systems, and ethical business practices. These disclosures enable stakeholders to evaluate corporate sustainability performance more effectively and hold organizations accountable for their actions (Chopra et al., 2024; Paranita et al., 2025; Lestari & Gangodawilage, 2025).

The empirical findings of this study indicate that companies with higher levels of sustainability accounting disclosure and ESG reporting demonstrate greater corporate transparency and accountability. This finding is consistent with previous studies showing that sustainability reporting improves information quality and reduces information asymmetry between organizations and stakeholders. When companies provide comprehensive ESG disclosures, stakeholders gain a clearer understanding of corporate sustainability strategies, governance practices, and risk management processes. As a result, sustainability reporting contributes to greater accountability because organizations become more responsible for the information they disclose to stakeholders (Dasinapa, 2024; Kumar & Santra, 2025; Chopra et al., 2024).

Another important benefit of sustainability accounting and ESG reporting is the enhancement of investor confidence and market reputation. Investors increasingly view ESG disclosure as an indicator of corporate responsibility and long-term value creation potential. Companies that provide transparent and credible ESG disclosures are often perceived as more trustworthy and better prepared to manage future risks. Consequently, ESG transparency can improve corporate reputation and strengthen relationships with investors, regulators, and other stakeholders. Research demonstrates that organizations with strong ESG disclosure practices often experience improved market performance and long-term financial stability (Nurhayati, 2025; Paranita et al., 2025; Ahmad et al., 2023; De Souza Barbosa et al., 2023; Andika, 2025).

Despite these benefits, sustainability reporting practices still face several challenges related to data reliability, reporting consistency, and the risk of greenwashing. One of the primary challenges in sustainability reporting is the lack of standardized measurement systems for ESG indicators. Although several reporting frameworks exist, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Integrated Reporting (IR), and IFRS Sustainability Disclosure Standards, differences among these frameworks sometimes create inconsistencies in sustainability disclosures. Companies may selectively disclose sustainability information that presents their performance in a favorable light while omitting information about negative environmental or social impacts. This practice, often referred to as greenwashing, undermines stakeholder trust and reduces the credibility of sustainability reporting systems (Kumar & Santra, 2025; Chopra et al., 2024; Nwangele, 2025; Lestari & Gangodawilage, 2025; Handayani, 2025; Andika, 2025).

To address these challenges, scholars and practitioners increasingly emphasize the importance of developing integrated sustainability accounting and ESG reporting frameworks. Integration ensures that ESG metrics are not merely included as supplementary information in corporate reports but are embedded within core accounting systems and managerial decision-making processes. When ESG indicators are integrated into accounting systems, organizations can measure sustainability performance more systematically and align sustainability goals with financial management strategies. This integration strengthens the strategic relevance of sustainability information and enables organizations to incorporate sustainability considerations into long-term planning and risk management (Dasinapa, 2024; Oliinyk & Ivanytskyi, 2025; Olorunyomi et al., 2021; Purwandaningsih et al., 2025; Andika, 2025).

An integrated sustainability accounting framework also helps organizations align their reporting practices with global sustainability standards. As sustainability reporting requirements continue to expand globally, companies must navigate multiple reporting frameworks and regulatory expectations. Integrating ESG metrics into corporate accounting systems allows organizations to harmonize reporting requirements from different frameworks and improve the comparability of sustainability disclosures across industries. Such harmonization is essential for ensuring that sustainability information remains consistent, reliable, and useful for stakeholders evaluating corporate performance (Kumar & Santra, 2025; Nwangele, 2025; Oliinyk & Ivanytskyi, 2025; Mazuryk, 2025; Handayani, 2025; Andika, 2025).

Another critical component of integrated sustainability reporting is the incorporation of ESG auditing and internal control mechanisms. Similar to financial reporting systems, sustainability reporting requires assurance mechanisms that verify the accuracy and reliability of disclosed information. ESG auditing allows independent parties to evaluate the credibility of sustainability disclosures and ensure that companies comply with established reporting

standards. By implementing ESG audits and internal control systems, organizations can reduce the risk of greenwashing and enhance the credibility of sustainability reporting practices. These assurance mechanisms strengthen stakeholder trust and reinforce the accountability of corporate governance systems (Olorunyomi et al., 2021; Lestari & Gangodawilage, 2025; Ilori et al., 2023; R et al., 2025).

Overall, the findings of this study demonstrate that sustainability accounting and ESG reporting play a critical role in improving corporate transparency and accountability. However, the effectiveness of these reporting practices depends on the extent to which sustainability accounting systems and ESG disclosure frameworks are integrated within corporate governance structures. By developing integrated sustainability reporting systems that combine accounting metrics, standardized ESG disclosures, and independent auditing mechanisms, organizations can enhance the credibility and usefulness of sustainability information. Such integration ensures that sustainability reporting functions not only as a communication tool but also as a strategic management instrument that supports responsible corporate governance in the era of sustainable economic development.

5. Conclusion, Limitations, and Suggestions

Conclusion

This study concludes that the integration of sustainability accounting and ESG reporting plays a significant role in strengthening corporate transparency and accountability in the era of a sustainable economy. The empirical findings indicate that companies implementing sustainability accounting practices alongside comprehensive ESG disclosures tend to provide more transparent and reliable information to stakeholders. Sustainability accounting enables organizations to measure environmental and social impacts systematically, while ESG reporting provides structured disclosure frameworks that improve information accessibility and comparability. Together, these mechanisms enhance stakeholder trust, support effective risk management, and contribute to long-term corporate value creation. Therefore, integrating sustainability accounting with ESG reporting within corporate governance systems is essential for ensuring that sustainability disclosures function not only as reporting tools but also as strategic instruments that support responsible corporate management and sustainable business practices.

Limitation and suggestions

Despite the contributions of this study, several limitations should be acknowledged. First, the study relies on secondary quantitative data derived from corporate sustainability disclosures, which may not fully capture internal organizational processes related to sustainability accounting implementation. Second, variations in ESG reporting standards and sustainability disclosure practices across companies and industries may influence the comparability of the data analyzed in this research. Third, the study focuses primarily on the relationship between sustainability accounting, ESG reporting, transparency, and accountability without examining other potential mediating variables such as corporate culture, board governance, or regulatory enforcement. Therefore, future research is recommended to incorporate broader datasets across different industries and geographical contexts, as well as to employ mixed-method approaches that combine quantitative analysis with qualitative insights. Such approaches may provide deeper understanding of how integrated sustainability accounting systems influence corporate governance and long-term organizational performance.

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