

From Disclosure to Impact

Reflections on the OECD Global Corporate Sustainability Report



How corporate sustainability reporting is evolving – and where governance, incentives, and decision-making still fall short

2025



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Foreword



Foreword by Ms. Funmi Ekundayo FCIS, President, Corporate Secretaries International Association Limited (CSIA).

Biography of the CSIA President

Funmi Ekundayo is a Harvard Business School alumna and a seasoned capital market and trust professional with over 29 years of experience. She holds LL.B and LL.M degrees from the University of Lagos and is a Fellow of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN), where she serves on the Governing Council and is the immediate Past President and Chairman (2023–2025)—the first female to hold the position in the Institute’s 57-year history.

Funmi is the Group Managing Director of STL Capital Group Limited, overseeing trusteeship, asset management, and investment banking businesses, and has successfully repositioned the Group as a leading financial services firm in Nigeria. She has held senior leadership roles across law, capital markets, and financial services, including MD/CEO of STL Trustees Limited.

A respected industry leader, Funmi is a Past President of the Association of Corporate Trustees of Nigeria and has served in executive roles within CSIA. She is a Fellow and Associate of several professional institutes in banking, governance, investment, risk management, and securities. Funmi also serves on multiple corporate boards in a non-executive capacity and is recognised for championing excellence, strong corporate governance, and industry leadership.

In an era of intensifying regulatory scrutiny, stakeholder demands, and material sustainability risks, CSIA views the OECD 2025 Global Corporate Sustainability Report as an indispensable compass for governance excellence. This analysis - drawing from disclosures across USD 125 trillion in market capitalization - illuminates trends in reporting maturity (91% coverage), assurance gaps (42% external), and board oversight (70% on climate), equipping leaders to integrate sustainability into core strategy.

The report highlights critical levers for long-term value creation: linking 67% of executive pay to ESG metrics, bridging double materiality disconnects, and aligning supply-chain due diligence with financial resilience. Amid CSRD/ESRS mandates and Scope 3 challenges, it empowers boards to demand decision-useful data, mitigate human capital risks (material for 68% market cap), and seize green innovation opportunities - ensuring resilient organizations amid evolving expectations.

As global advocates for governance excellence, Corporate Secretaries International Association (CSIA) and Global Advisory Alliance (GAA) position this resource as essential for informed leadership shaping resilient organizations.

Overview

The OECD 2025 Global Corporate Sustainability Report provides a comprehensive assessment of corporate sustainability practices, trends, and governance at a global scale. The report aims to inform policymakers, regulators, investors, and corporate leaders on:

 <p>The status and recent progress in sustainability-related disclosure.</p>	 <p>Assurance practices, governance arrangements, and regulatory alignment.</p>	 <p>Risk management related to climate and human capital.</p>	 <p>Sector-specific analyses, with a deep dive into the energy sector.</p>
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Analysis is grounded in the G20/OECD Principles of Corporate Governance (2023) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. Data sources include original disclosures from over 44,000 listed companies (USD 125 trillion market capitalisation).

Key Findings

	<p>Uptick in Disclosure Rates: As of 2024, 91% of global listed company market capitalization disclosed some form of sustainability-related information, up from 86% in 2022. The energy sector leads at 94%.</p>
	<p>Expansion of GHG Reporting: 88% of market cap discloses scope 1 and 2 emissions; 76% disclose at least one category of scope 3. However, rates are lower for smaller companies and lag in key regions such as China.</p>
	<p>External Assurance: 42% of companies obtaining assurance on sustainability information do so via an external party. Most rely on limited assurance (56%); only 17% use reasonable assurance, indicating a gap in data reliability.</p>



Diverse Reporting Standards: Companies use multiple frameworks - GRI (Global Reporting Initiative) is most prevalent, followed by TCFD, SASB, ISSB's IFRS S1/S2, and (in the EU) ESRS under CSRD. Interoperability further advanced with new joint guidance between frameworks.



Materiality of Climate and Human Capital Risks: Climate change is a financially material risk for companies representing 65% of global market cap. Human capital risks are financially material for companies with 68% of market cap.



Investor Profile: Institutional investors hold 35–37% of equity in both the top 100 GHG emitters and green innovation leaders; public sector stakes are significant among high emitters but not green innovators.



Governance Advances: Two-thirds of global market capitalisation are under board-level oversight of sustainability. 67% tie some element of executive compensation to sustainability (rising to 94% in Europe).



Human Rights and Social Metrics: Human rights policy disclosure covers 81% of global market cap, but in-depth reporting on due diligence and outcomes remains sporadic.



Sector Innovation: 8% of all patents filed globally are “green.” Japanese and US companies lead in green innovation, especially in technology, consumer cyclicals, and industrials.



Energy Sector Spotlight: Energy firms lead in disclosure but face major transition challenges; nearly a third of sector GHG emissions are from state-owned enterprises. Net cash flow growth has outpaced investment in low-carbon technology.



Double Materiality Evolution: Early disclosures under ESRS/CSRD reveal companies identify more negative sustainability impacts than financially material risks, especially around climate, human capital, and biodiversity, creating a gap in incentive alignment.

Cross-Sector Insights

Sector	Key Insights
Banking, Financial Services and Insurance	<p>New and evolving sustainability disclosure regulations and climate-risk reporting (e.g., TCFD, ISSB, ESRS) drive requirements for banks/insurers. Stress-testing for climate and transition risk rises in importance; external assurance requirements are increasing.</p>
Government and Public Sector (PSUs)	<p>Harmonisation with G20/OECD Principles and CSRD/ESRS drives national policy review. Incentives and oversight on state-owned enterprises' (SOEs') climate performance take a central stage.</p>
Listed Companies	<p>ESG reporting requirements tighten, especially in Europe. Board-level oversight of sustainability risk, double materiality assessment, and GHG target setting are shifting from best practice to baseline expectation.</p>
Mining/ Oil and Gas/ Extractives	<p>Disclosures on GHG, energy transition planning, and environmental impact are most advanced in this sector, but investor pressure for credible, externally assured targets is intensifying; SOE influence is material.</p>
Private Equity (PE's) and Home Offices	<p>Portfolio decarbonization, engagement with portfolio companies on climate and workforce risk, and new requirements for sustainability integration into due diligence and investment decisions are highlighted.</p>
Accounting and Legal	<p>Growing demand for reasonable (not only limited) assurance and clear role definition between financial and sustainability auditors. Increased focus on liability and compliance as frameworks align/interoperate.</p>



Strategic Recommendations

01

Prioritise Framework Alignment: Align sustainability disclosures with leading frameworks (GRI, ISSB, ESRS, TCFD) and prepare for evolving regulatory baselines, especially in the EU and major markets.

02

Advance Assurance Practices: Progress from limited to reasonable assurance where possible to support investor and regulator trust in reported data. Proactively manage conflict-of-interest risks when using the same auditor for financial and sustainability assurance.

03

Strengthen Board and Management Oversight: Formalise board responsibility for sustainability strategy, risk, and compliance across sectors, and integrate climate and human capital risk factors into executive incentives.

04

Engage Investors and Stakeholders: Disclose clear engagement policies with both investors and employees. Listed entities should disclose shareholder engagement mechanisms and ensure human capital metrics are transparent, given their financial materiality.

05

Bolster Transition Finance: Banking, finance, and PE sectors should intensify support for investments in green innovation and energy transition, leveraging new taxonomy frameworks and sustainability incentives from public policy bodies.

Risk & Opportunity Scope

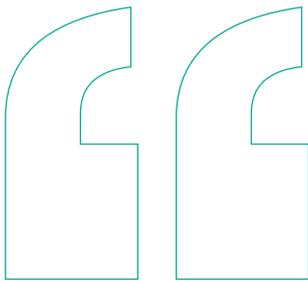
Topics	Risk Perspective	Opportunity Perspective
Climate Change	Boards oversee climate for 70% market cap but on 42% lightly assured data (limited dominant); energy SOEs emit 32% sector GHG, Scope 3 underreported; 98% material impact but weak incentives.	EU CSRD/ESRS drives advanced assurance/double materiality; 67% exec pay links to ESG; energy leads at 94% disclosure for transition planning.
Green Innovation	Energy cash flows triple dividends/buybacks (2015-2024) vs <5% CapEx growth; 2.5% disclose environmental RD; investors undifferentiated (37% in green patents vs emitters).	Japan/US lead green patents (8% global); EU taxonomy aids financing; boards oversee 70% climate for RD shift; target innovators.
Supply Chain	Human rights policy 81% market cap but due diligence/outcomes limited; Scope 3 76% (one category), 58% value-chain impacts (workers S2); Africa lags.	CSRD/CSDDD mandates value-chain due diligence; EU leads NDC/NAP alignment for location metrics.
Double Materiality	8/10 topics impacts > financial risks (biodiversity 86% vs 36%); human capital 68% but ethical framing; assurance gaps.	EU CSRD/ESRS ahead (higher assurance/oversight); bridges impact/risk for alpha; energy validates priorities.
Human Capital	Material for 68% market cap (vs climate 65%); framed ethically not strategically; turnover/skills gaps amplify transition risks.	Link to exec incentives/outcomes for resilience; just transition support; strategic system beyond HR.
Data Quality & Assurance	Limited assurance dominant (56%); Scope 3 estimates; framework heterogeneity; boards “flying blind”.	ISSA 5000/convergence boosts reliability; EU reasonable assurance growth; decision-useful data.
Regional Gaps	Africa lags outside South Africa (low Scope 3/assurance/standardisation); emerging markets uneven vs OECD/EU maturity.	Capacity-building aligns with OECD benchmarks; South Africa model via King IV; broadens sustainable capital.
Governance & Lobbying	Weak oversight/pay-linkage/lobbying transparency misaligns with objectives; energy lobbying gaps.	70% board climate oversight; 67% ESG incentives; transparent lobbying builds credibility.



David Stead  UK

More Reporting, But Less Real Accountability

Corporate disclosures are growing, yet comparability, depth and outcome-focus lag badly. Without a shift to meaningful, human-centred reporting, we risk ever glossier but emptier corporate reports.



Volume is up, but substance is thin - firms must move from inputs and intent to proven social and environmental outcomes.

Excerpt

Disclosure volumes are rising, but let's not confuse quantity with quality. Companies are navigating a maze of overlapping standards that obscure comparability and weaken accountability. And despite the rhetoric, critical issues like human rights and social impact remain under-reported or are addressed superficially.

Research shows most large companies disclose something on social topics, yet reports are often narrow, inconsistent and impossible to compare. Too many firms still focus on inputs - donations, training hours, policies - instead of demonstrating real outcomes: how lives, communities and systems changed.

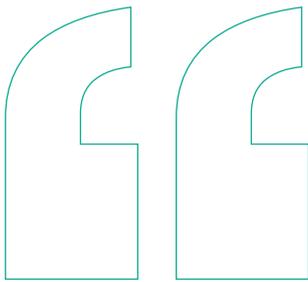
Disclosure can't remain a checkbox exercise. Boards and investors must demand reporting that goes beyond glossy narratives and metrics-for-metrics' sake, to credible evidence of impact and effective management of risks - especially in human rights and supply chains. Without that shift, we are rewarding noise over progress.



Oliver Maennicke  France

Europe's ESG Disclosure Maturing, Driven by Climate & Governance

The OECD's 2025 report shows European ESG reporting is strongly evolving but elements are uneven. While climate and governance lead, social factors are catching up, pushing firms toward measurable outcomes and value creation under new EU directives in alignment with National Adaptation Plans (NAP) and EU National Determined Contributions (NDC).



Europe's trajectory points toward a streamlined, digitally connected, and performance-driven ESG ecosystem - where the focus shifts from compliance reporting to measurable sustainability outcomes. Mutually supportive with NAPs and NDCs as part of the broader European Green Deal.

Excerpt

OECD 2025 spotlights Europe's ESG disclosure prominence: high coverage, yet uneven across E/S/G. Climate reporting excels; governance leads with board oversight/incentives in most large firms. Social surges via CSRD/ESRS/CSDDD, mandating due diligence, workforce transparency, value-chain accountability. Laggards: biodiversity, water, circularity-needing measurable, location-based metrics.

Investor/regulator demands for material data propel quantifiable enterprise-value links. Framework convergence/digitalisation streamlines complex info for decisions; financing hinges on reliable inputs, as noted at report launch.

Corporate ESG increasingly aligns with NDCs/NAPs: leaders deploy location-specific risk assessments/programs targeting water stress, ecosystems, efficiency-translating national goals to action. Mid-tier firms accelerate. This elevates reporting from compliance to contributions, enabling material climate data visibility.

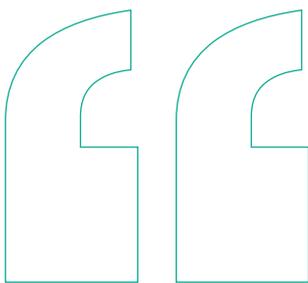
Trajectory: performance-driven ecosystem, digitally connected, outcome-focused. Investors benefit from standardised, assured metrics; companies from value creation. Prioritise: integrate NDC-aligned targets into strategy; invest in data infrastructure for multi-layered insights. Europe models shift from disclosure volume to impact velocity.



Kelly Christodoulou  Cyprus

CSRD Reveals Double Materiality Disconnect in EU

Early CSRD filings show companies identify major environmental/social impacts but classify 8/10 topics as non-financially material, risking underestimation of regulatory/reputational costs. Investors gain from spotting aligned leaders in biodiversity, pollution, and water for superior risk management.



CSRD analysis: 8/10 sustainability topics show material impacts on environment/society, but not classified as financial risks—especially biodiversity, pollution, water—exposing firms to regulatory and reputational costs.

Excerpt

As EU's CSRD kicks off 2025 disclosures, early double materiality assessments expose a disconnect: companies flag significant negative environmental/social impacts across operations and value chains, yet rarely deem them financially material. Analysis of initial filings reveals eight of ten sustainability topics material for impacts on environment/society – but not business risks. This gap widens for biodiversity, pollution, water resources, where firms acknowledge harms but underestimate regulatory fines, reputational damage, market shifts, and operational disruptions.

For investors, this flags risks and opportunities. Underestimators face surprise costs as regs tighten (CSRD/ESRS), stakeholders demand accountability, degradation hits supply chains. Leaders aligning impact/financial views signal robust risk management, strategic edge - early identifiers of outperformers.

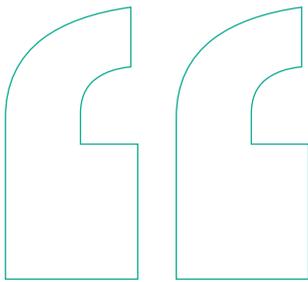
Navigating demands vigilance: track CSRD evolutions, benchmark peers on double materiality integration. Prioritise sectors with high exposure (e.g., extractives, consumer goods). Use this for portfolio stress-testing, engagement roadmaps. As frameworks mature, alignment becomes a competitive moat - position now for resilience and alpha.



Ole Bach Andersen  Denmark

Leaders Are Flying Blind on Critical Sustainability Risks

Consequences of geopolitical challenges push strategic priorities like cybersecurity risks and AI opportunities above sustainability, but the OECD report shows that leaders act on data with low assurance, while the risks and financial impacts are material.



Cybersecurity, AI and sustainability are closely linked, but sustainability is taken less seriously, resulting in unmanaged material risks and unrecognised financial impacts.

Excerpt

After years in leadership, one rule stands: assumptions and speed blind oversight amid shifting contexts. OECD 2025 data signals leaders must act: boards now oversee climate for ~70% global market cap (up from 53% in 2022) - progress, but on shaky ground. Only ~42% of sustainability reports carry assurance, mostly limited and not reasonable. Scope 3 coverage hits ~76% for at least one category, yet often ignores value-chain core where emissions and risks concentrate.

Human capital emerges as the top financial material (~68% market cap vs. climate 65%, data security 41%), spanning labor practices, health & safety, engagement/ DEI/skills. Climate amplifies: heatwaves boost H&S risks, transitions demand reskilling, “just transition” strains relations.

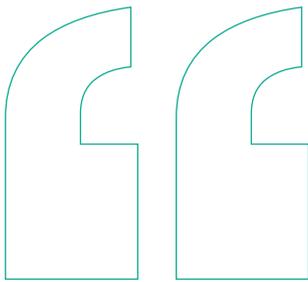
Implications are clear: incomplete data drives misallocated capital, reputational hits, missed growth. Actions now: Anchor in double materiality to pinpoint value-chain impacts/risks/opportunities. Close Scope 3 gaps with category plans, baselines, methods, targets. Upgrade assurance - reasonable for Scopes 1-2, prioritised Scope 3. Elevate human capital from HR silo to strategic system: quantify turnover gaps, safety incidents, reskilling needs; link exec pay to outcomes. If not overseeing climate/value-chain risks, competitors already price them in. Validate data rigorously - start mapping exposure today.



Leo Long  South Africa

OECD Sustainability Maturity: OECD Leads, Africa Lags

The OECD 2025 Report shows 91% global market cap disclosing sustainability data with advanced assurance and standards, while Africa trails, except South Africa. Investors must address gaps in GHG reporting, human rights, and board oversight to align emerging markets with OECD benchmarks on governance and emissions.



OECD markets show 91% market cap disclosing sustainability, 88% Scope 1-2 emissions, 42% external assurance - while Africa lags outside South Africa, with lower standardisation, depth, and board ESG integration across exchanges.

Excerpt

The OECD, comprising 38 high-income members like the US, Japan, and EU nations, sets global standards in governance and sustainability. Its 2025 Global Corporate Sustainability Report reveals mature practices among listed companies: 91% of market capitalisation discloses sustainability information, 88% report Scope 1 and 2 emissions, 76% cover at least one Scope 3 category, and 42% obtain external assurance, primarily limited, with reasonable assurance rising. Frameworks like GRI, TCFD, SASB, and ISSB dominate, while EU firms advance under CSRD/ESRS. Boards oversee climate for 70% of market cap, and 67% link executive pay to ESG metrics. Human rights reporting improves, with energy sector disclosure highest.

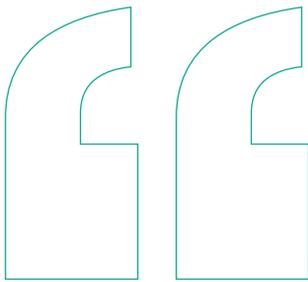
Africa presents a stark contrast: sustainability disclosure grows but lacks consistency and depth continent-wide. Outside South Africa, few listed companies issue structured reports, with low assurance, GHG coverage, and Scope 3 data. South Africa excels via King IV, CRISA, and JSE guidance, producing GRI/TCFD/ISSB-aligned integrated reports from large issuers. Yet broader Africa shows voluntary, shallow reporting, minimal human rights due diligence, and weak board ESG integration. Investors should prioritise bridging this gap through capacity-building, standardisation, and engagement to enhance comparability and attract capital.



Anna-Stina Wiklund  Spain

Disclosure Grows, but Quality Lags Critically

The OECD Global Corporate Sustainability Report 2025 reveals rapid disclosure expansion yet uneven quality, comparability, and outcome focus—especially on human rights and supply chains. Investors must bridge the materiality gap through targeted stewardship, pushing for reliable, assured data amid EU leadership in governance and reporting.



Human-rights policy disclosure covers 81% of global market cap, but due diligence and outcomes lag, often seen as ethical not financial risks. OECD data shows human capital material for 68%, demanding stronger governance and assured value-chain reporting.

Excerpt

The OECD 2025 Global Corporate Sustainability Report shows sustainability disclosure covering 91% of market cap, yet quality lags: human-rights policies reach 81%, but reporting on due diligence and outcomes are sparse. Human capital risks are financially material for 68% of market cap, but in reality, they are often treated as ethical considerations rather than financial risks.

A “materiality gap” persists - companies note environmental/social impacts but underplay financial risks, mirroring stewardship dialogues. EU leads with superior assurance, double materiality, and board oversight.

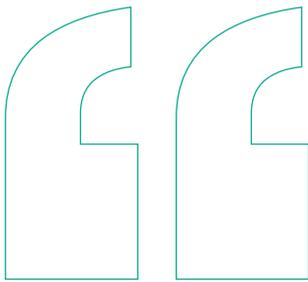
Overall, the OECD’s findings strengthen the case that environmental and social considerations must be integrated into core governance, risk, and strategy processes. Effective sustainability practice requires not only reporting progress but also demonstrating how companies manage human-rights risks, address value-chain impacts, and align their governance structures with emerging regulatory and investor expectations.



Diego Braga  Brazil

Lobbying regulations are a practical double-edged sword

The practice of lobbying is usually mistaken by a form of negatively influencing the political decision-making processes for private or personal gain. According to OECD, if governments adopt a well-structured and contextualised framework for lobbying, it will provide a good level of safeguards and legal rules for transparency while facilitating the participation of the business sector. The lack of a strong framework though can be exploited for malicious purposes.



These frameworks are not intended to restrict or discourage lobbying, but rather to establish safeguards and standards that ensure interests are represented fairly, and that citizens can understand who is seeking to influence policy decisions.

Excerpt

Lobbying is a process well-documented in public governance systems all around the world. Although mostly informal, it is indeed an institutionalised practice. OECD sees such activity as an opportunity to formally integrate the participation of corporate stakeholders into the public decision-making process.

OECD member-countries that have an already established lobbying framework do not always follow the same design principles. Lack of disclosure leads to lack of transparency on a company's lobbying activities, increasing the possibilities for bending the rules. This is especially true for large-scale companies which operate in markets without a strong regulation on lobbying.

One recent example is the Brazilian National Climate Action Plan. Large agriculture company owners, through the influence of the politicians financed by the sector, appealed for a weaker compromise in carbon emissions resulting from their farming and deforestation activities. They were able to halt the plan's approval by pledging for it to be less restrictive. To be able to approve the plan, the approbation committee had to accept their terms.

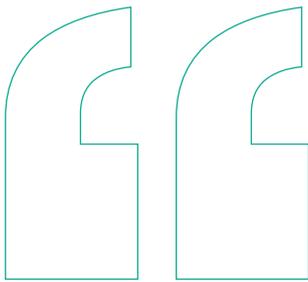
Regulations themselves are not enough to avoid corruption. Even when making the information public, a good governance framework needs to make it complete, demanding for companies, and accessible for the general population. In the Brazilian case, it is not a crime to finance a politician's electoral campaign, and the information on it is open for everyone. The lack of true transparency, though, creates an easy path for lobbying against the country's sustainability regulations and goals.



Keith Morrow  Ireland

Green Innovation will help the drive towards a low carbon economy

Only 8% of existing patents globally are categorised as “green”. These focus on reducing environmental harm, dealing with the adaptation to climate change and contributions to smarter grids. Wider embracing of these initiatives will help the transition to a low carbon economy through adoption of existing technologies and developing new ones.



The data indicates that green technologies need to be incorporated more by companies both into their own development processes and by use of existing innovations. Also there is scope for non-controlling shareholders to invest into the top companies embracing these green technologies

Excerpt

The OECD Corporate Sustainability Report outlines the need to use technology in two ways to assist in the drive to a low carbon economy – by high GHG emitting companies adopting existing green technologies and developing new ones.

Currently of the 307 million patents worldwide, 308,000 (8%) are classified as green i.e. they mitigate environmental harm, adapt to climate change or contribute to smarter grids. Of these almost half are owned by Japanese companies (45%), which compares favourably with the Japanese share of all global patents which is 41% showing they are clearly the biggest innovator worldwide.

The top 100 listed companies globally with high green innovation are 37% owned by institutional investors, who also have a similar ownership % of the top 100 high GHG emitting companies. Looking at the industries from which the high green innovators come, the top three are technology (30%), Consumer Cyclical, being non-essential goods and services (25%) and Industrials (23%).

Of this global group of green innovators, further analysis shows that the largest shareholder owns 14% of shares, compared to 28% in the group of high emitting companies. This suggests, according to the OECD, that there is greater potential for non-controlling shareholders to engage effectively with companies with high green innovation.

CSIA has made great strides since it had been incorporated in Geneva and officially launched as the flagship for the advocacy and adoption of corporate governance worldwide on 23 March 2010 in Paris under the auspices of the IFC and OECD.

CSIA connects Corporate Secretaries, governance professionals, corporates and governments to build a community where the best practices, knowledge, and experiences from all over the world are shared.

www.csiaorg.com

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