CRI COMMUNICATIONS
Telling Stories of Progress

A New Take on the Future of ESG Reporting

For those who call the world of corporate sustainability reporting home, this is a time to remember...and to reassess.

Though anti-environmental, social and governance (ESG) sentiment has been growing for some time in the U.S., the volume was turned up considerably when the new administration set up shop in January 2025. A string of anti-diversity, equity and inclusion (DEI) executive orders sent ESG reporting teams straight into conference rooms with legal teams. Public disclosure decisions were suddenly being re-examined. And publication dates were pushed out as many companies took a "wait and see" approach.

This upheaval has led to decisive shifts in reporting.

For example, there's no question that DEI narratives and data disclosures have changed. In a CRI benchmark of reports published in 2025, we found that 46% of companies had moved away from DEI terminology; 34% decreased the number of DEI-related topics covered in their reports; and just 18% continued to publish quantitative DEI targets in 2024 reports, compared to 52% in 2023.

Yet some aspects of reporting and disclosure were remarkably stable. Very few companies actually discontinued ESG reporting. Commitment to decarbonization remained strong, with 98% of benchmarked reports continuing to include climate-related goals and 8% adding new commitments.

Social disclosure drops while climate remains steady in the most recent reporting cycle.

18%

published quantitative DEI targets

98%

published climate goals

This dynamic, where some topics shift while others remain stable, is symbolic of the messy middle where U.S. companies find themselves now. On the one hand, ESG backlash in the U.S. and other parts of the world, coupled with government actions targeting DEI programming and goals, is injecting a note of caution in sustainability disclosure and communications. On the other hand, regulatory and financial market realities call for companies to continue prioritizing ESG reporting and communications. Witness new California climate disclosure rules, the impending European Sustainability Reporting Standards (ESRS) in the EU and growing acceptance of the International Sustainability Standards Board (ISSB) framework as the basis for regulatory schemes in markets around the world. Also, investor awareness of and concern about ESG risks, especially climate, remains a key driver of annual disclosure.

The conundrum for reporting teams: Say too much and risk potential political repercussions? Or say too little and create compliance and reputational risks that diminish trust among employees, customers and investors? Ultimately, the goal is to create a disclosure and communications strategy that can withstand political pendulum swings for a host of reasons beyond just reporting. One way to crack the conundrum is to reframe the story and repackage the report.

Let's start with the reframing part.

Over the past two decades, the way that organizations communicate their sustainability story in reports has become fairly standardized. Most tend to be organized according to ESG-related pillars, or perhaps ESG material topics or even major ESG goals.

The common theme: ESG.

A new way to frame that story is to flip the script and tell it through the lens of the organization's business strategy, business segments or major geographic business markets.

The common theme: Business.

Enter the Responsible Business Report.

When even "sustainability" is a loaded term, "responsibility" reflects the prudence and practicality this moment requires. The term implies good governance and fiduciary responsibility for shareholder interests — principles that are hard for any side to argue. Responsibility speaks to business value creation on behalf of stakeholders, as well as risk mitigation. By reporting environmental and social topics through these lenses, the conversation shifts from companies simply "doing what's right" to "doing what's right for business value." In other words, it invokes the now-popular concept of "materiality over morality."

The concept of a Responsible Business Report, however, goes beyond simply dancing around current sentiment. In terms of the maturation of sustainability strategies and initiatives, the time is right for this evolution. For many companies, the integration of sustainability into business functions and strategies is no longer an aspiration but a reality of managing the enterprise.

Making the Concept Your Own

The Responsible Business Report is a concept, not necessarily a title. Not a fan of the word "responsible"? You can still pursue this approach under a different title. Some ideas:

- Business Resilience Report
- Comprehensive Report
- Integrated Report
- Business Impact Report

You could even align the title with your business strategy, such as Unilever's former "Sustainable Living Plan." For example, if your corporate strategy is called "Growth 2030," then the title might be "Growth 2030 Progress Report."

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Consider a recent Deloitte survey in which 45% of C-suite executives ranked climate change/sustainability as the most pressing of eight different challenges to focus on over the coming year. In the same survey, 83% indicated an increase in sustainability investments over the same period. Another survey by Bain & Company noted the importance of sustainability factors in the purchasing decisions of business-to-business buyers. Half of those surveyed reported currently spending more with sustainable suppliers, and about the same percentage indicated their plans to drop suppliers that do not meet sustainability criteria over the next three years.

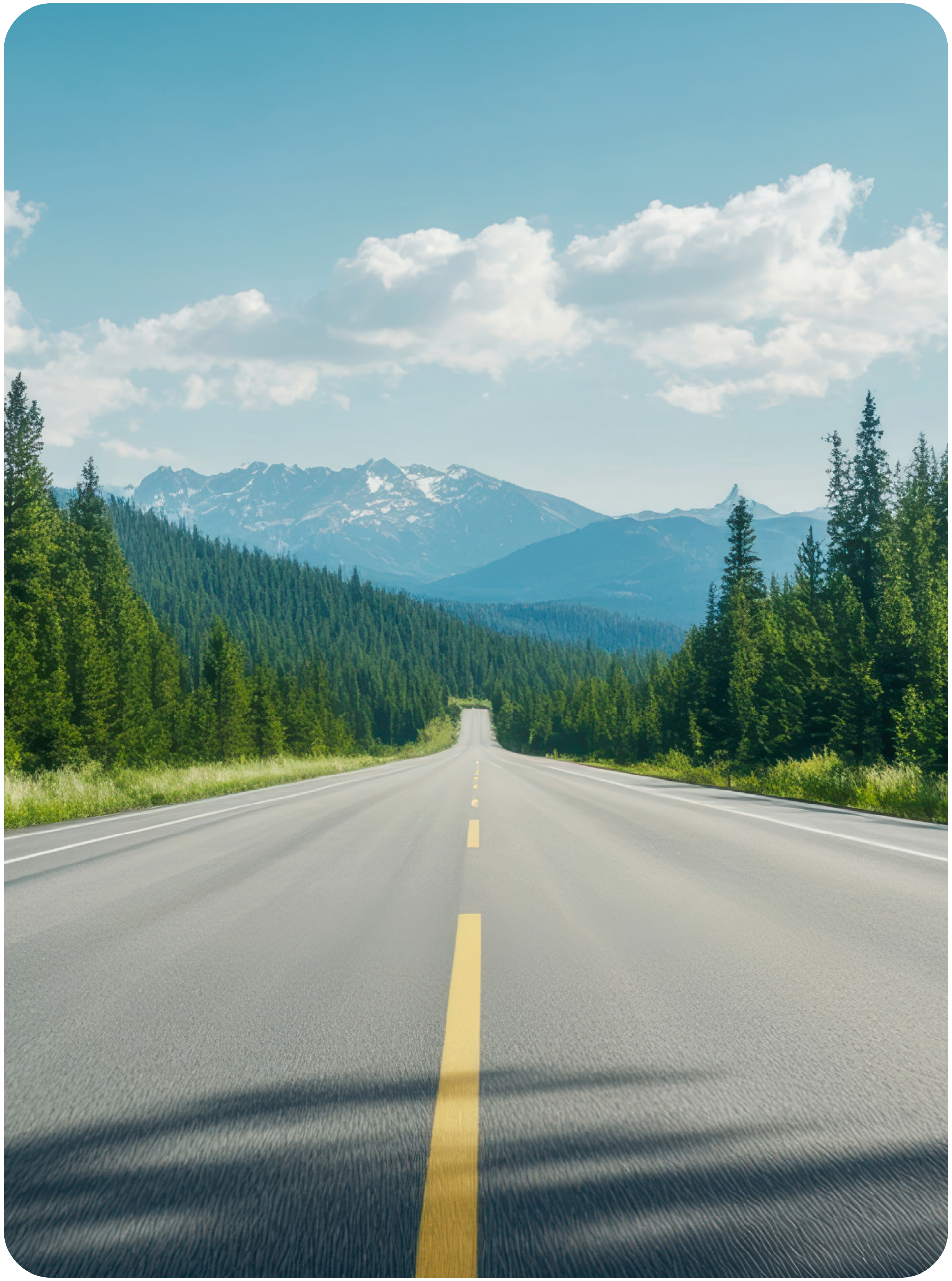
The bottom line: As sustainability itself becomes more integrated and mainstream, it makes sense that reporting and communication reflect this integration.

It's time for a clean slate.

The process of reimagining a traditional sustainability report into a Responsible Business Report requires a bit of a clean mental slate. The organization of this report will be different for every business — and that's part of the point. The narrative should be presented in much the same way that a business growth strategy or corporate priorities would be presented to investors, arguably the most important audience for ESG communication.

The key difference between a Responsible Business Report and today's sustainability reports is one of perspective. Rather than speaking from the standpoint of an outsider looking in at a business, the report tells the story from the inside out. Think about sitting down and explaining your company's business value proposition to an investor. A few options could be to structure the conversation around your company's:

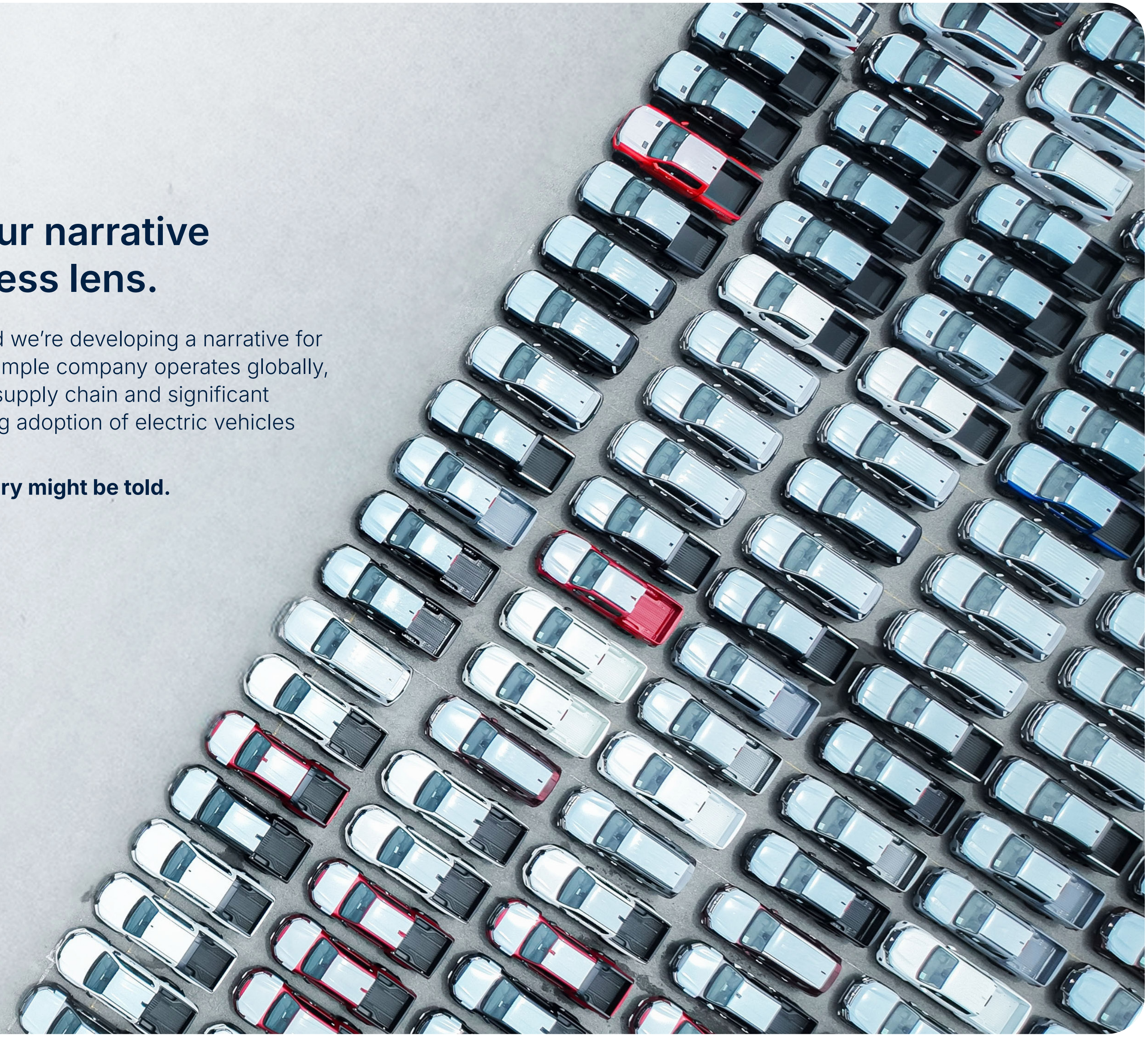
- Corporate strategies
- Business strengths
- Geographic markets



Start developing your narrative by applying a business lens.

For illustrative purposes, let’s pretend we’re developing a narrative for an automotive manufacturer. Our example company operates globally, has a diverse workforce, a complex supply chain and significant climate impact. It also sees increasing adoption of electric vehicles (EVs) as core to its growth strategy.

Let’s consider various ways the story might be told.



Option 1: Corporate strategy focus

Our automaker has four key business priorities centered around growing brand market share, leading in technology and innovation, realizing operational efficiencies and creating a winning culture. Here's how various ESG topics might ladder up to each of these strategies:

Sample Report Topics

Grow brand market share	Lead in technology and innovation	Realize operational efficiencies	Create a winning culture
Sustainable attributes of vehicles in the product portfolio and how these vehicles meet targeted consumer needs	R&D investments in lower-carbon technologies such as electrification and hydrogen fuel cells	Energy efficiency investments to reduce expenses and carbon emissions	Talent attraction and retention to drive innovation and lower hiring costs
Brand partnerships that drive investments in vehicle charging infrastructure	Emerging technologies that lead to safer vehicles and driving conditions	Waste minimization and reuse to reduce material purchasing	A diverse workforce to serve a diverse and global customer base
Product stewardship initiatives such as vehicle quality and safety	Responsible supply chain management to ensure resilient sourcing and competitive advantage	Water conservation and risk management practices	Ethical conduct principles
Ethical marketing practices			Investments in professional development

Option 2: Competitive strengths focus

A slight variation on the narrative above is to think about the story in terms of corporate strengths. For our automaker, this could translate into brand loyalty, culture, research & development and financial strength. It's a slight difference but one that could work for companies in which a corporate strategy is not as well defined or does not lend itself naturally to accommodating various ESG topics. Another benefit of this approach is that strengths are somewhat subjective, giving a company the flexibility to highlight different aspects of its business from year to year. Here's how a strengths-focused report could unfold:

Sample Report Topics

Customer loyalty

- Deep-dive into the company's target customer — and how the company is working to meet diverse customer needs
- Vehicle safety partnerships that drive further loyalty
- Training and support for the company's dealer network

Positive culture

- A diverse workforce to serve a diverse and global customer base
- Investments in reskilling manufacturing employees as technology needs evolve
- Opportunities to increase engagement through employee volunteerism
- Efforts to build a culture of safety

R&D excellence

- Investments in new prototyping and additive manufacturing technology
- Research partnerships with leading universities
- Energy- and material-saving considerations in the product development life cycle
- Joint ventures with other automakers on battery development

Financial strength

- Capital investments in energy-saving equipment
- Recent acquisition of an EV startup
- Local economic impact of new manufacturing facilities, including job creation
- Funding of employee benefits to increase retention
- Experienced and diverse board

Option 3: Global business segments focus

For companies with diverse holdings or regional focuses in which operating fundamentals differ, telling a global story at the enterprise level may not be always feasible. In the case of our automaker, there are vast differences in technological maturity, operating concerns, natural resources and customer needs in each of its regional markets. The result is a business story that has different characteristics and considerations among regions, as well as differing ESG capabilities. The report could include an overview of the company's activities in each region, followed by a series of feature stories about how responsible operations there are enabling further growth. For example:

Sample Report Topics

North America	South America	Asia	Europe
Material recovery initiatives that align with local recycling infrastructure Investments to expand U.S. manufacturing capacity	Alternative fuel vehicle offerings Water management strategy that mitigates risk of operational disruption due to regional drought	Plans to make inroads with EVs in China Exploration of the company's supply chain in Taiwan	EV introductions aligned with customer need for compact vehicles Wind energy agreements in Spain

Consistent coverage for all regions, including:

Performance highlights

An overview of the strategy in the region

Manufacturing updates

New sustainable product introductions

Workforce snapshot

Community activities that help the company maintain its license to operate

These are a few ways a Responsible Business Report could come to life — but they aren’t the only ones.

A company with distinct product lines or industry verticals could choose to organize its report according to major operating segments. A house of brands could present a section for each brand or brand category. The possibilities are endless, but the bottom line is that business priorities drive the narrative. By framing every topic in terms of business value, versus justifying it as “the right thing to do,” businesses can provide a strong and credible case for their sustainability initiatives among both internal and external stakeholders — and even among critics.

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Consider how to complement other disclosures with a practical, investor-minded approach.

A natural consideration is how the Responsible Business Report fits into other annual financial disclosures that investors need to access. Again, the answer depends on business circumstances, but there are several practical possibilities:

- The report could be combined with a traditional annual report (defined as a shareholder letter and business narrative distinct from the 10-K filing) to become one integrated publication (see sidebar). This has the added benefit of potentially streamlining workflows and expenses as two separate projects become one consolidated process and budget.
- If a company does not publish a traditional annual report, then the report could be attached to the 10-K filing to provide a contextual narrative with audited financials under one cover.
- For companies that will need to comply with CSRD reporting in the EU in coming years, the Responsible Business Report can also serve as a contextual narrative to accompany prescriptive and technical sustainability statements. In fact, many European companies already reporting under CSRD today frequently combine a contextual narrative with their financial filings and sustainability narratives into one comprehensive publication.

Wait a minute...haven't we been here before?

The goal of the corporate sustainability function has always been to integrate itself into business operations, strategy and culture. For organizations that see responsible and sustainable practices as fundamental to their success, it makes sense to report in a similarly integrated way.

The Responsible Business Report differs slightly from the concept of integrated reporting that the International Integrated Reporting Council (now part of the ISSB framework) pioneered. This framework encouraged businesses to think in terms of six types of capital and to quantify the relationships between them. For many companies, the approach was a bit too complex and theoretical. In addition, most data management platforms were not sophisticated enough to quantify these relationships.

In contrast, the business-aligned approach that the Responsible Business Report provides is a more flexible vehicle to get to the gist of an integrated story and, in essence, bring integrated reporting back down to earth.

But what about data?

Taking a fresh approach to your sustainability narrative doesn't discount the value of your existing ESG-related data. In terms of data disclosure, nothing changes. A refreshed story still needs credible data as a proof point and to satisfy important rater, ranker and regulatory needs. The data you have been disclosing can remain in the report or in another publicly available format. Further, don't worry about the lack of integrated data at this stage; for example, not being able to show the ROI on sustainability-related capex projects. It may be a simple calculation; it may not be. In time, a methodology and process may come. Remember, most companies began sustainability reporting years before they had a critical mass of environmental and social data points.

Ready to start?

5 steps to develop a more business-aligned report

1. Sell the C-suite

Your CEO and CFO are the most recognized and frequent communicators of the business strategy and value proposition. Bring them on board early by demonstrating the benefits of this approach to both de-risk sustainability disclosure and provide them with refreshed messaging.

2. Partner with investor relations

Gain an understanding of how they tell the business story on a day-to-day basis. Equally as important, gain an understanding of how investors like to analyze the business — do they think in terms of reportable business segments? Do they regularly assess the strategy? An understanding of these dynamics will help conceptualize how to approach the narrative.

3. Workshop the narrative

The muscle memory to apply your company's material ESG topics and programs to the business strategy may not yet exist. There may be topics that don't shoehorn easily into a strategy, or strategies that may not seem to accommodate a given ESG topic. Engage a cross-functional team — think the chief sustainability officer, a strategy officer, business unit heads — to review and brainstorm your sustainability initiatives in the context of the broader business. You're likely to uncover new angles and perhaps even new ways to create value in the process.

4. Reframe content gathering

Traditional sustainability reports often require engaging with many SMEs and gathering updates on a laundry list of topics. Reimagining the story may change this approach and is certain to change the line of questioning for many SMEs. Make time for deep-dive interviews that explore a topic in an entirely new way. For example, how is an energy efficiency strategy not only driving progress toward emissions reduction goals but also contributing to more efficient manufacturing processes? Review your legacy list of go-to experts carefully and consider if there are new voices to bring into this evolved approach.

5. Take out a blank sheet of paper

It's tempting to start your next report by lifting content out of the most recent report. This makes sense when the story doesn't change substantially from one year to the next. Avoid this temptation as you embark on a new path. This is an opportunity to think big and share something new.

While you're thinking outside the box, you also can think beyond the report.

A business-aligned report will naturally lead to reports that cover a narrower range of topics. When everything must have a business rationale, there is less room for filler or fluff. That said, there are most likely stories and topics that still need to be communicated — whether to meet a specific need (a customer questionnaire) or to engage specific audiences (community members).

Hence, the advent of a Responsible Business Report also helps end the era of "one-size-fits-all" reporting and sets the stage for a new level of effective communications in which the report is only one tool in a broader suite of assets. The content and stories that do not find a home in the report can be used in a variety of other outlets: online hubs, supplier engagement materials, employee newsletters, investor communications and more, each in formats that meet their target audiences' needs.

Share your story with a new sense of purpose.

Given the pressures and dynamics of the moment, it can be hard at times to stay excited about the important work you're doing. The Responsible Business Report is a chance to share your story and accomplishments with renewed vigor. It may be the shot of energy that is needed at this time. In approaching reporting with fresh eyes, we see a significant opportunity to tell a compelling story about why these efforts truly contribute to business value — something that nearly any reader can get behind.

CRI is a sustainability and financial communications firm that helps some of the world's leading companies tell their story of progress. Our mission is to drive business value by supporting clients' ESG advisory needs and helping them to develop reports and communications that inform and influence. We build upon more than 40 years of experience to provide turnkey solutions delivered by our team of strategists, creatives and project managers.

cricommunications.com

Kitsie Riggall
CRI Partner and Executive Vice President, Strategy
kitsie.riggall@corporatereport.com

Mary Gable
CRI Editorial Director
mary.gable@corporatereport.com