

Problems and Prospects in the Development of Non-Financial Reporting

T. A. Korneeva¹^a, D. A. Gafurova²^b

^{1,2}*Department of Accounting, Analysis and Economic Security, Samara State University of Economics, Samara, Russia*
¹*korneeva2004@bk.ru*, ²*dianagafurova1897@gmail.com*

Keywords: Sustainable Development, ESG Factors, Information Disclosure, Non-Financial Reporting, Standardization.

Abstract: Society and business face serious environmental and social challenges, which requires the integration of sustainable development goals into company strategies. Non-financial reporting is becoming an important tool for disclosing information about sustainable development. The active introduction of non-financial reporting reflects the global trend of increasing transparency and responsibility of businesses to investors and society as a whole, allowing a comprehensive assessment of the impact of companies on the environmental and social environment, as well as the quality of corporate governance. However, there is still no single standard for its preparation, which makes data comparability difficult. A standard structure of a non-financial report is proposed to increase transparency and trust among stakeholders, which contributes to more effective management of sustainable development. Based on the analysis of published non-financial reports of Russian companies in various industries, conclusions have been drawn about the completeness of companies' disclosure of non-financial indicators, including by industry. The development of a standard non-financial report structure that takes into account key indicators from different fields is designed to increase the comparability and usability of such data.

1 INTRODUCTION

Society is increasingly facing serious environmental problems and challenges affecting the quality of life. In this regard, economic entities and society as a whole have to rethink and change their approaches to conducting financial and economic activities in order to take into account issues of environmental conservation and sustainable development.

Sustainable development goals are actively integrated by economic actors into strategic plans. Commitment to these goals is voluntary and long-term. Focusing on solving environmental and social problems helps to reduce business risks, strengthen corporate reputation and increase the market value of the organization (Egorova, 2025)


ESG factors, which companies pay attention to, affect business sustainability, allowing them to quickly take into account and manage the risks of


negative events, as well as identify and use new opportunities.

The way an organization manages the risks and opportunities associated with ESG factors significantly affects its financial performance, development, long-term value creation, and attractiveness to investors.

Disclosure of this information creates a reliable base for all stakeholders who make management decisions. This highlights the need to take into account ESG risks not only for the company, but also for its investors and business partners.

The concept of transition to sustainable development is becoming increasingly relevant today. It implies the harmonious and balanced development of the socio-economic sphere while maintaining favorable environmental conditions, which is necessary to ensure the well-being of both current and future generations (Borodin et al., 2019).

^a <https://orcid.org/0000-0003-0613-4651>

^b <https://orcid.org/0009-0002-7032-2278>

2 ANALYSIS OF THE STATE OF NON-FINANCIAL REPORTING PRACTICES

2.1 International and National Reporting Standards

Organizations operating in various sectors of the economy pursue sustainable development through the implementation of environmental and social programs. For potential investors, information about the progress of such programs is important when making management decisions. Therefore, economic entities are interested not only in disclosing financial indicators, but also in presenting the results of their environmental and social activities. The main means of transmitting this information to investors is non-financial reporting (Rae Kwon Chung et al., 2023).

Sustainability reporting, unlike financial reporting, is at the stage of active formation and standardization. It usually includes disclosure of information on environmental, social and management aspects (ESG), however, there is still no single, generally accepted definition of this form of reporting, and standardization and harmonization of reports continue to actively develop.

The practice of preparing and publishing corporate reports began to take shape in the first half of the 19th century, when companies in the United States for the first time began to provide not only financial, but also non-financial data. In Russia, the first publications of corporate reporting, including non-financial information, began to appear in the 1860s and 1870s. In the first half of the 20th century, there was little understanding of the need for companies to provide non-financial data, and such disclosures were extremely rare. Over time, interest in non-financial information has grown, and research has confirmed its impact on investor opinion. Since the 1990s, attention to the disclosure of non-financial statements has increased significantly, and since the beginning of the 21st century, international organizations have begun to work on its standardization, which has significantly expanded the practice of its use by companies (Pyatov et al., 2018).

Thus, the official development of non-financial reporting in Russia begins in 2017 with the publication of the Decree of the Government of the Russian Federation dated 05.05.2017 N 876-r <On approval of the Concept of development of public non-financial reporting and the action plan for its implementation>. Over time, it is expected that a regulatory and methodological framework for non-

financial reporting will be formed, including the definition of key indicators that companies must disclose. Also, the approval of the list of organizations required to publish such reports. At the same time, attention will be paid to the development of a professional training system for specialists in this field and the development of criteria for confirming (certifying) public non-financial statements.

In practice, there is no single standard for corporate reporting in Russia. The Bank of Russia publishes a list of standards recommended for public joint stock companies to disclose non-financial information related to their activities. However, the diversity of these standards and reporting methods makes it difficult to compare non-financial data between different companies (Bank of Russia, 2021).

The global trend towards disclosure of information on sustainable development has become a catalyst for the development of international reporting standards. They involve the disclosure of information about sustainable development on a voluntary basis (Doyan et al., 2023).

The most commonly used standards for the preparation of non-financial reports are: Global Reporting Initiative (GRI) Standards; Sustainability Accounting Standards Board (Sukma et al., 2025).

Since 2024, the standards developed by the International Sustainability Standards Board (ISSB) have entered into force:

- IFRS S1 “General Requirements for Disclosure of Sustainability-related Financial Information” – contains requirements for information on risks and opportunities related to sustainability;
- IFRS S2 “Climate-related Disclosures” – provides requirements for information on risks and opportunities related to climate (Eremeeva, 2025).

According to Figure 1, several standards are used for the preparation of reports worldwide: standards of the Global Reporting Initiative (GRI); standards of the Accounting Standards Board for Sustainable Development (SASB); standards related to the Sustainable Development Goals (SDG); standards for the disclosure of financial information related to climate change (TCFD) or a combination of them.

According to the data presented, it can be noted that in all regions, a combination of the above standards is mainly used to prepare non-financial information. At the same time, GRI standards are actively used in the countries of North and South America, SDG standards are slightly less actively used in the countries of the Asia-Pacific region and the European Union (Indonesia, Japan, South Korea, Italy, Spain) along with GRI standards (Singapore, South Korea, Germany, Italy, Spain) and in other

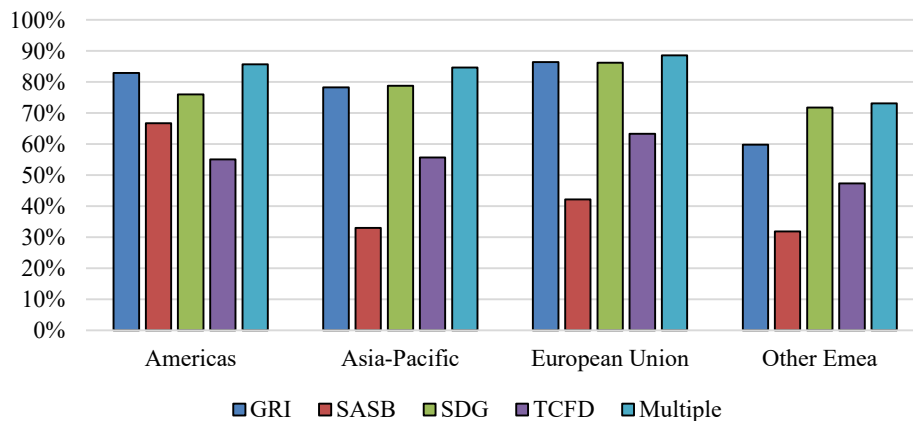


Figure 1: Types of reporting standards (IFAC, 2025).

regions, SDG standards are mainly used (mainly by companies in the UK and South Africa). At the same time, Russian companies in most cases use GRI standards for training (75%). According to the data presented, it can be noted that in all regions, a combination of the above standards is mainly used to prepare non-financial information. At the same time, GRI standards are also actively used in the countries of North and South America, SDG standards are slightly less actively used in the countries of the Asia-Pacific region and the European Union (Indonesia, Japan, South Korea, Italy, Spain) along with GRI standards (Singapore, South Korea, Germany, Italy, Spain). and in other regions, SDG standards are mainly used (mainly by companies in the UK and South Africa). At the same time, Russian companies in most cases use GRI standards for training (75%).

The Recommendations of the Bank of Russia for public and financial companies, developed on the basis of international standards, are also relevant for Russian companies (Bank of Russia, 2021).

The methodological recommendations of the Ministry of Economic Development precede the preparation and publication of the Russian standard for sustainable development reporting, which is aimed at reflecting information (information) on the implementation of national interests in sustainable development reporting.

2.2 Development of a standard non-financial report format

As noted earlier, there is no single standard in Russia for the formation of non-financial statements, and therefore each economic entity independently

determines the list of disclosed indicators, the volume and format of disclosures.

Economic entities of different industries and volumes of activity take into account the specifics and specifics of their activities when preparing non-financial statements, however, this significantly complicates the analysis of non-financial disclosures of companies, as the requirement for comparability of information is violated (Zyznarska-Dworczak, 2023).

At the same time, due to the lack of a single standard for the formation of non-financial reporting, when preparing it, managers and officials of economic entities are faced with the need to independently determine the disclosed indicators, which may be difficult, especially for large economic entities (Diana Patricia Franco Campos et al., 2023).

Due to the lack of a specific structure for a non-financial report in regulatory documents, it is advisable to develop a standard report structure that will disclose not only environmental, social and corporate governance indicators, but also general aspects of an economic entity's activities in the field of sustainable development, as well as take into account the Recommendations of the Bank of Russia and the Methodological Recommendations of the Ministry of Economic Development (table 1).

2.3 Analysis of the Disclosure of Indicators in Companies

To assess the completeness of disclosure of non-financial indicators in the reporting of economic entities, 20 companies from four industries (chemical, oil and gas, energy and metallurgy) were selected. As a result of the analysis of information on the official websites of the selected companies, it was found that

Table 1: Typical structure of a non-financial report.

Group	Indicator
Environmental activities (E)	
General aspects	Environmental management system
	Key events and initiatives, the company's position
	Environmental impact policy
Energy	Energy consumption by type
	Fuel consumption by type
	Energy intensity
	Energy efficiency
Water	Water consumption by source
	Water disposal
	Water use efficiency
Emissions	Emissions of pollutants into the atmospheric air
	Greenhouse gas emissions by area of coverage
	Intensity of greenhouse gas emissions
Discharges and waste	Total mass of waste by hazard class (I-V)
	Total mass of waste, broken down by methods of treatment
Expenses	Total environmental costs and investments
	Monetary value of significant fines for non-compliance with environmental legislation
Social activities (S)	
General aspects	Personnel management system
	Key events and initiatives
	Policies in the field of social activities
Staff	Average number of employees
	Staff turnover rate
	Average number of hours of study per year
Expenses	Average salary
	Expenses for labor protection measures
	Expenses for social events
	Expenses for employee training
Injury	Types of accidents
	Injury rates
	Total number of accidents
Corporate governance (G)	
General aspects	Corporate governance system
	Business ethics and anti-corruption
	Standards and norms of the organization's behavior, codes of conduct
Composition and management structure	The composition and structure of corporate governance of the organization
	Number of meetings of the Board of Directors
Corruption	The average number of hours of anti-corruption training per employee
	Confirmed cases of corruption and actions taken
Expenses	The monetary amount of significant fines and the total number of non-financial sanctions imposed for non-compliance with legislation and regulatory requirements

many of them publish not one type of non-financial report, but several (report on sustainable development, integrated, environmental activity report and social activity report).

The information in these reports is often duplicated, which makes it difficult for interested users to find and analyze it, which worsens user trust and transparency of economic entities.

As part of the study, non-financial reports of companies were analyzed for disclosure of indicators,

according to the proposed structure (Table 1). In the assessment, the disclosure of the indicator was estimated at one point, its absence – zero points. The maximum possible score is 39 points, including 17 for environmental activities, 13 for social activities and 9 for corporate governance. The evaluation results are grouped in descending order of the number of points received in Table 2.

Table 2: Results of assessment of completeness of disclosure of indicators in non-financial statements.

Industry	Company	E	S	G	Total
Chemical	PJSC Sibur Holding	14	13	6	33
Oil and gas	PJSC Gazprom	14	11	7	32
Oil and gas	PJSC Tatneft named after V. D. Shashin	15	11	6	32
Energy	PJSC RusHydro	13	13	6	32
Energy	PJSC Unipro	12	12	8	32
Chemical	PJSC PhosAgro	12	12	8	32
Metallurgical	PJSC Norilsk Nickel	13	13	5	31
Energy	PJSC Inter RAO UES	14	10	7	31
Metallurgical	PJSC Severstal	14	12	4	30
Metallurgical	PJSC NLMK	12	12	5	29
Oil and gas	PJSC Novatek	12	11	6	29
Oil and gas	PJSC Lukoil	11	12	5	28
Chemical	PJSC Akron	12	10	5	27
Chemical	JSC Uralchem	13	9	5	27
Metallurgical	PJSC Polyus	13	9	4	26
Metallurgical	PJSC MMK	10	10	5	25
Oil and gas	PJSC Rosneft	11	9	4	24
Energy	PJSC FGC-Rosseti	8	8	7	23
Energy	IPJSC En+ Group	6	9	4	19
Chemical	JSC KuibyshevAzot	7	7	5	19

According to the results obtained, the chemical industry company PJSC Sibur Holding corresponds to the most fully proposed structure (33 points, including 14 points for environmental activities, 13 for social activities and 6 for corporate governance).

A number of companies scored the same number of points, equal to 32 (PJSC Gazprom, PJSC Tatneft named after V. D. Shashin, PJSC RusHydro, PJSC Unipro, PJSC PhosAgro), and 31 points (PJSC Norilsk Nickel, PJSC Inter RAO UES).

At the same time, despite the same number of final points, if we consider the points received in the areas of activity (environmental, social, corporate governance), we can note a number of differences. Thus, among the companies that scored 32 points,

there are leaders in the disclosure of environmental information (PJSC Tatneft named after V. D. Shashin - 15 points out of 17 possible), social information - PJSC RusHydro (maximum score - 13), information on corporate governance (PJSC Unipro, PJSC PhosAgro - 8 points out of 9 possible).

When considering companies by industry, it can be noted that the largest number of points were scored by companies in the oil and gas industry (145 points). At the same time, companies in the oil and gas industry scored higher in terms of environmental activities, companies in the metallurgical industry scored higher in terms of social activities, and companies in the energy industry scored higher in terms of corporate governance (Figure 2).

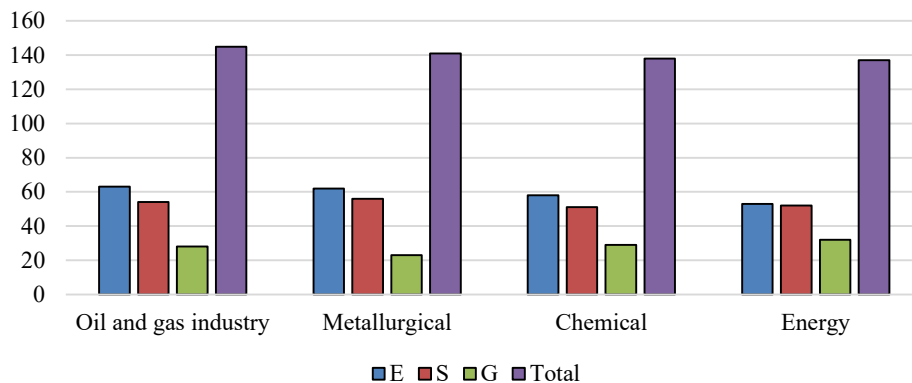


Figure 2: Industry-specific analysis results.

The proposed structure makes it possible to evaluate non-financial reports for completeness of disclosures. However, an analysis of the published non-financial reports of Russian companies in the chemical, oil and gas, energy and metallurgical industries shows that not all companies fully provide stakeholders with information on the proposed structure and it is necessary to work in this direction.

4 CONCLUSIONS

Thus, non-financial reporting is becoming an important tool for increasing transparency, responsibility and sustainable development of companies, reflecting environmental, social and managerial aspects of activities. Although the standardization of reporting is still in the process of being formed, international and national standards contribute to improving the quality and comparability of disclosed information. An analysis of the reporting of Russian companies in various industries shows that many companies do not fully disclose all key indicators, which underscores the need for further work to improve the structure and completeness of non-financial reports for effective interaction with stakeholders.

REFERENCES

- Bank of Russia., 2021. Information Letter N IN-06-28/49 "On recommendations on disclosure by Public Joint Stock Companies of non-financial information related to the activities of such companies."
- Borodin, A., Shash, N., Panaedova, G., Frumina, S., Kairbekuly, A., Mityushina, I., 2019. The impact of the publication of non-financial statements on the financial performance of companies with the identification of intersectoral features. *Entrepreneurship and Sustainability Issues*, 7(2), 1666–1685.
- Diana Patricia Franco Campos, Saul Gonzalo Galindo Cardenas, Liliana Stella Genes Puella, Javier Dario Canabal Guzmán, & Jorge Luis Gonzalez Escobar (2023). Management model for the management of non-financial reporting from a sustainable approach. *Russian Law Journal*, 11 (4), 649-658.
- Doyan, T. L., Kazakova, N. A., 2023. Methodology for assessing the disclosure of information on stakeholder risks in non-financial reporting of companies in the oil and gas sector. *Finance: Theory and Practice*, 27(3), 209-220.
- Egorova, A., 2025. Role of ESG Ratings in Shaping Investment Attractiveness: Insights from BRICS Countries. *Journal of Corporate Finance Research*. 19(1): 5-15.
- Eremeeva, O. S., 2025. The reflection in the non-financial statements of companies of information on the impact on the sustainable development of the territory of their presence. *Issues of State and Municipal Management*, (1), 142–168.
- IFAC: The state of play: sustainability disclosure and assurance (2025) <https://www.ifac.org>
- Pyatov, M. L., Solovey, T. N., Sorokina, A. S., Gusnieva, A. A., 2018. Non-financial reporting in economics: The experience of the XIX - early XXI century. *Bulletin of St. Petersburg University. Economy*, 34(3), 465–492.
- Rae Kwon Chung, Andrey M. Margolin, & Irina V. Vyakina, 2023. Theory and Practice of ESG Transformation of Management Systems. *Экономическая политика*, 18 (2), 80-103.
- Sukma, N., Yamnill, S., 2025. Future economic and sustainability impacts of open data in insurance. *Public Administration Issues*, 5, 131–158.
- Zyznarska-Dworczak, B., 2023. Corporate governance in ensuring the quality of financial and sustainability reporting in times of uncertainty. *The Theoretical Journal of Accounting*, 47(2), 99–119.