

Comparative Analysis between Companies that Adopt GRI Standards and Those that Follow only IFRS (ISSB) - Sustainability Report

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ABSTRACT: This article compares companies that report their sustainability information in accordance with the GRI Standards (Global Reporting Initiative) with those that exclusively follow the IFRS Sustainability Disclosure Standards (ISSB – IFRS S1 and S2). The study aims to understand the conceptual, methodological, and practical differences between these two reporting frameworks, with a focus on their impact on corporate transparency, governance, accountability, and decision-making. It is based on a review of literature, document analysis, and institutional sources to create an analytical framework that helps companies, auditors, regulators, and researchers understand and apply both systems. The analysis reveals that the GRI standards employ a dual materiality approach, considering both the company's impacts on society and the environment, as well as how these factors influence financial performance. In contrast, the ISSB/IFRS, rooted in capital market principles, focuses mainly on financial materiality, targeting investors and capital providers. This difference is evident in their content requirements, governance structures, and the level of detail provided. The article also discusses the interoperability between GRI and ISSB, highlighting efforts to align and complement the standards, as well as addressing challenges to prevent report overlap and duplication. Additionally, the study examines issues related to assurance, comparability, and credibility of sustainability reports, suggesting that integrating both approaches can improve the consistency of corporate disclosures. It concludes that, despite their different objectives and target audiences, the convergence of GRI and ISSB marks a significant step toward more integrated, transparent, and responsible sustainability reporting that guides decision-making.

KEYWORDS: Corporate sustainability, GRI, ISSB, IFRS S1, IFRS S2, Integrated reporting, Materiality.

INTRODUCTION

The regulatory and voluntary sustainability reporting ecosystem has undergone rapid transformation over the past decade. Historic initiatives, such as the Global Reporting Initiative (GRI) guidelines, continue to be widely used by companies seeking to disclose their economic, environmental, and social impacts in a comprehensive and standardized manner (Global Reporting Initiative, 2021). However, newer, investor-oriented standards are emerging, particularly those issued by the International Sustainability Standards Board (ISSB)—the body created by the IFRS Foundation in 2021 to develop a global sustainability disclosure framework for financial markets (IFRS Foundation, 2023a). In 2023, the ISSB published IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures, which established requirements for the disclosure of sustainability information integrated into traditional financial reporting (IFRS Foundation, 2023b). These standards represent a paradigm shift in corporate reporting, as they aim to integrate sustainability issues into the core of financial reporting, thereby establishing a "global baseline" for sustainability disclosures (Deloitte, 2023). According to the ISSB, the objective is to provide useful information "on sustainability-related risks and opportunities that affect the entity's prospects," improving the comparability and consistency of information for investors (IFRS Foundation, 2023b). The coexistence of frameworks such as the GRI and IFRS S1/S2, however, raises theoretical and practical challenges. While the GRI adopts a dual materiality approach, considering both the impact of companies on the environment and society, as well as the financial impact of these factors on the company itself, the ISSB standards focus exclusively on financial materiality (Harvard Law School Forum on Corporate Governance, 2023). This difference in approach means that reports produced under each framework may vary in transparency and usefulness, depending on the target audience. For example, an organization may disclose material social impacts under GRI but omit them under IFRS S1/S2 if these impacts do not have measurable financial effects.

Recent research has highlighted that the adoption of IFRS S1 and S2 standards tends to increase the credibility and comparability of corporate reports, while also reducing the risk of "greenwashing" by requiring greater alignment between financial

and sustainability reporting (Wahyuni, 2025). However, the authors also warn of challenges in interpretation and methodological harmonization across jurisdictions, which may limit the immediate effectiveness of the standards (Lokita & Megawati, 2024). According to Wagenhofer (2024), the transition to an integrated reporting model represents a "natural evolution" of financial accounting, in which sustainable performance is measured with the same rigor as traditional financial metrics. Some scholars have described this movement as an "IFRS+1" interpretation, which involves integrating financial reporting (IFRS) and sustainability reporting as a necessary "first addition" to fully reflect corporate value creation (Lokita & Megawati, 2024). Therefore, understanding how the adoption of different sets of standards—GRI versus IFRS S1/S2— affects the transparency, comparability, and usefulness of disclosed information is essential not only for investors and regulators but also for advancing corporate governance and sustainability accounting on a global scale. The objective of this study is to compare companies that adopt the Global Reporting Initiative (GRI) standards with those that follow only the IFRS/ISSB standards (IFRS S1 and IFRS S2), examining the structural and conceptual differences between these two sustainability reporting frameworks. According to the Global Reporting Initiative (2021), the GRI standards were created to enable organizations to communicate their economic, environmental, and social impacts transparently to a broad range of stakeholders, including investors, local communities, regulators, and civil society. Meanwhile, the IFRS S1 and S2 standards, published by the International Sustainability Standards Board (ISSB), explicitly focus on investors and capital providers, requiring disclosure of information on sustainability risks and opportunities that may affect the entity's financial prospects (IFRS Foundation, 2023a). Studies indicate that the distinction between target audience and purpose has a profound impact on the content and usefulness of the information. While the GRI seeks to promote public accountability and social and environmental transparency, the ISSB standards aim to increase the comparability and financial relevance of disclosed information (Harvard Law School Forum on Corporate Governance, 2023; Wagenhofer, 2024). Regarding the concept of materiality and reporting scope, the GRI adopts a dual materiality approach, encompassing both the company's impact on the environment and society, as well as the risks and opportunities that affect its financial performance (GRI, 2021). In contrast, IFRS S1 and S2 adopt a single materiality of a financial nature, focusing on information that may influence investment decisions (IFRS Foundation, 2023b). This difference leads to substantial variations in the granularity, depth, and nature of disclosures, including the treatment of metrics, targets, and value chain information (Deloitte, 2023). Furthermore, information quality assurance and assurance practices also differ. GRI-based reports often rely on external assurance to strengthen credibility with diverse stakeholders. At the same time, IFRS/ISSB standards seek to integrate the assurance process at the same level as audited financial reports (Wahyuni, 2025). This reflects a gradual convergence between traditional accounting and sustainability accounting, but also poses methodological and regulatory challenges (Lokita & Megawati, 2024). Regarding the implications for governance, communication, and stakeholder decision-making, recent literature indicates that companies that apply the GRI tend to engage more broadly with stakeholders and report qualitative and contextual impacts, while those that adopt IFRS S1/S2 emphasize quantitative indicators and material business risks (Wagenhofer, 2024; Deloitte, 2023). This distinction can affect the perception of organizational legitimacy and transparency, depending on the expectations of each stakeholder.

THEORETICAL BACKGROUND

GRI (GLOBAL REPORTING INITIATIVE)

The GRI Standards were historically conceived as a set of standards aimed at transparency regarding an organization's economic, environmental, and social impacts, with a focus on accountability to a broad range of stakeholders—including local communities, workers, NGOs, governments, and investors (Global Reporting Initiative, 2021). According to the GRI, the core mission of the standards is to "provide a common language for organizations to report their impacts, promoting comparability and accountability" (GRI, 2021). The GRI model is distinguished by its explicit adoption of the concept of dual materiality—that is, it considers both how environmental, social, and governance issues affect the company (financial materiality) and how the company's activities impact society and the environment (impact materiality) (GRI, 2021; Wagenhofer, 2024).

This broader approach reflects a multi-stakeholder perspective, in which the purpose of reporting extends beyond usefulness for investors also to inform the real-world effects of corporate operations on sustainable development (Wahyuni, 2025). The GRI Standards are widely used globally—with more than 10,000 organizations reporting under their guidelines—and are structured into universal, sectoral, and thematic standards, which contain topic-specific indicators (such as emissions, human rights, and diversity) to measure and communicate impacts (GRI, 2021; IFRS Foundation & GRI, 2023). This granularity makes the GRI the most established standard for sustainability reporting on impact, especially in regulatory and corporate social responsibility contexts.



IFRS/ISSB (IFRS S1 AND IFRS S2)

The IFRS Sustainability Disclosure Standards—IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures)—were issued in 2023 by the International Sustainability Standards Board (ISSB), a body of the IFRS Foundation, with the primary objective of producing disclosures applicable to investors in their capital allocation decisions (IFRS Foundation, 2023a). These standards mark the beginning of a new era in integrated corporate reporting, aiming to establish a "global baseline" of sustainability information tailored to financial decision-making (Deloitte, 2023). The ISSB adopts a financial materiality approach, also called investor-usefulness, focusing on sustainability-related risks and opportunities that may impact a company's value, cash flow, or cost of capital (Harvard Law School Forum on Corporate Governance, 2023; IFRS Foundation, 2023b). IFRS S1 establishes the general requirements for disclosing sustainability information related to financial performance. At the same time, IFRS S2 specifically addresses climate disclosures, incorporating and expanding the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (IFRS Foundation, 2023b). According to the IFRS Foundation (2023a), the standards are designed to be used in conjunction with financial statements to ensure overall consistency and comparability. Furthermore, they are compatible with other international frameworks, such as the GRI and the European Sustainability Reporting Standards (ESRS), reinforcing the effort toward interoperability between reporting regimes (IFRS Foundation & GRI, 2023). The adoption of IFRS S1 and S2, therefore, represents a step toward integrating sustainability and finance, positioning sustainability reporting not only as a practice of social transparency but also as a tool for financial analysis and corporate risk management (Wagenhofer, 2024; Wahyuni, 2025).

KEY CONCEPTUAL DIFFERENCES

MATERIALITY: DUAL VS. SINGLE

The concept of materiality is one of the main points of distinction between the GRI and the ISSB (IFRS S1/S2). GRI adopts a dual materiality approach, considering both how environmental, social, and governance issues affect the company (financial materiality) and how the company's activities impact society and the environment (impact materiality) (Global Reporting Initiative, 2021; Wagenhofer, 2024). This approach focuses on responsibility and accountability to multiple stakeholders, expanding the scope of reported topics to include human rights, local impacts, and supply chains, even when there is no direct financial impact (Global Reporting Initiative, 2021). • IFRS S1/S2 (ISSB): Adopts an investor-oriented materiality approach, limiting itself to information relevant to the economic decisions of primary users, such as investors and creditors (IFRS Foundation, 2023a). The focus is on information that affects a company's ability to create value in the short, medium, and long term, emphasizing financial utility and comparability across entities (Harvard Law School Forum on Corporate Governance, 2023). Implication: Companies that report according to the GRI tend to cover a broader range of social and environmental impact topics, while those that follow only IFRS S1/S2 standards prioritize disclosures directly linked to financial performance and risks and opportunities relevant to investors (Wahyuni, 2025; Deloitte, 2023).

TARGET AUDIENCE AND PURPOSE

The standards also differ in terms of the target audience and the primary purpose of the disclosures. GRI is aimed at multiple stakeholders, promoting public accountability and transparency on the real impacts of business activities (Global Reporting Initiative, 2021). The goal is to enable communities, governments, workers, NGOs, and investors to understand the social and environmental effects of an organization, contributing to its legitimacy and social responsibility. IFRS/ISSB: is aimed primarily at investors and capital markets, focusing on the comparability and usefulness of information for assessing risk and return (IFRS Foundation, 2023a; Harvard Law School Forum on Corporate Governance, 2023). The purpose is to support informed financial decisions, enabling an assessment of how sustainability factors can impact a company's value and economic performance (Deloitte, 2023). Summary: While the GRI emphasizes public accountability, the ISSB emphasizes informational efficiency for the capital market, reinforcing a vision of financial sustainability integrated into traditional corporate reporting (Wagenhofer, 2024).

CONTENT AND GRANULARITY APPROACH

The differences are also reflected in the level of detail (granularity) and content structure required by each standard. GRI: presents detailed and standardized thematic indicators by topic and sector, facilitating comparability and impact measurement. For example, GRI 305 addresses greenhouse gas emissions, and GRI 207 addresses tax transparency (Global Reporting Initiative, 2021). This



approach orients reporting toward concrete impacts and specific social and environmental performance metrics, with a focus on consistency and accountability (Wahyuni, 2025). IFRS S1/S2 requires a direct connection between sustainability and financial statements, emphasizing both qualitative and quantitative information on governance, strategy, risk management, and metrics/targets that impact company value (IFRS Foundation, 2023b). Specifically, the IFRS S2 standard incorporates the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), requiring disclosures on climate risks, emissions, and energy transition plans (IFRS Foundation, 2023b; Deloitte, 2023). In summary, the GRI prioritizes thematic depth and measurement of social/environmental impact, while the ISSB (IFRS S1/S2) prioritizes financial integration and comparability, focusing on practical information for investors and creditors (Wagenhofer, 2024; Lokita & Megawati, 2024).

INTEROPERABILITY AND CONVERGENCE EFFORTS

Since 2023, international efforts to promote interoperability between the Global Reporting Initiative (GRI) and the International Sustainability Standards Board (ISSB) have intensified. In 2024–2025, these initiatives evolved into formal cooperation agreements, resulting in the publication of mapping and equivalence guides between the two sets of standards. This aimed to reduce overlap and facilitate the combined use of the frameworks (IFRS Foundation & Global Reporting Initiative, 2023; Global Reporting Initiative, 2024).

These actions reflect the recognition by both institutions that many companies report simultaneously against multiple standards—a phenomenon often referred to as double reporting—which increases costs and operational complexity (Wahyuni, 2025; Deloitte, 2023). Thus, the collaboration between the GRI and the ISSB aims to alleviate this burden by allowing certain disclosures made under one standard to meet the requirements of the other partially.

For example, the interoperability guides released in 2024 indicate areas of equivalence between GRI 302/305 (energy and emissions) and IFRS S2 (climate), allowing reports prepared under GRI to be reused to meet ISSB requirements related to greenhouse gas emissions and climate risk management, provided they follow compatible measurement principles (IFRS Foundation & Global Reporting Initiative, 2023).

The technical collaboration also aims to harmonize terminology, governance concepts, and materiality frameworks, promoting greater consistency between stakeholder-oriented reporting (GRI) and investor-oriented reporting (ISSB) (IFRS Foundation, 2023a; Global Reporting Initiative, 2024). This convergence movement aims to foster the development of a coherent global sustainability disclosure ecosystem, where reports from various sources can interact and be interpreted in an integrated manner (Wagenhofer, 2024).

In practice, companies that combine both standards can meet the demands of multiple audiences (stakeholders and investors) with less redundant effort, strengthening the credibility and comparability of information (Deloitte, 2023). However, this integration requires operational and internal governance adjustments, including modifications to data collection processes, information systems, internal controls, and external assurance (Lokita & Megawati, 2024).

Furthermore, the literature suggests that the success of interoperability will depend on organizations' ability to translate regulatory requirements into standardized corporate practices, as well as on the advancement of institutional cooperation between the IFRS Foundation, GRI, and other bodies, such as the European Financial Reporting Advisory Group (EFRAG), responsible for the European Sustainability Reporting Standards (ESRS) (Harvard Law School Forum on Corporate Governance, 2023).

In summary, the convergence between GRI and ISSB represents a significant step towards the global integration of sustainability and financial reporting, contributing to cost reduction, improved information quality, and strengthening corporate transparency on an international scale.

ASSURANCE AND INFORMATION QUALITY

External assurance—also called independent auditing of sustainability reports—has become a central element in the discussion on the credibility and quality of corporate information (IFAC, 2024).

HISTORICAL PRACTICE AND EVOLUTION OF THE GRI

Historically, reports prepared in accordance with the GRI Standards have sought external assurance voluntarily, aiming to strengthen transparency and stakeholder trust (Global Reporting Initiative, 2021). However, the adoption of this practice varies widely across regions and sectors, being more common in European and publicly traded companies (Deloitte, 2023).

Assurance coverage is also not uniform, as it is often limited to selected indicators, such as greenhouse gas emissions (scopes 1 and 2) or specific social indicators (Wagenhofer, 2024). Furthermore, assurance levels can vary—for example, "limited assurance" or "reasonable assurance"—and the methodologies applied differ between audit firms and specialized consulting firms (IFAC, 2024). Despite these limitations, there is evidence of a gradual increase in demand for GRI reporting assurance, driven by pressure from investors and regulators seeking greater confidence in ESG disclosures (Wahyuni, 2025).

ASSURANCE IN THE CONTEXT OF IFRS S1 AND S2

The IFRS Sustainability Disclosure Standards (S1 and S2), developed by the International Sustainability Standards Board (ISSB), were designed for direct integration with financial statements. This characteristic tends to bring sustainability disclosures closer to the scope of traditional financial auditing, paving the way for the adoption of more systematic and mandatory assurance practices in the future (IFRS Foundation, 2023a; Harvard Law School Forum on Corporate Governance, 2023).

Although IFRS S1 and S2 do not yet impose mandatory assurance, their structure refers to the consistency and verifiability required by international financial standards. This has led to discussions among regulators, auditors, and standard-setting bodies about minimum quality and reliability criteria for sustainability information (IAASB, 2023; IFAC, 2024). In 2023, the International Auditing and Assurance Standards Board (IAASB) published a proposed international standard, ISSA 5000 (International Standard on Sustainability Assurance), which aims to establish uniform requirements for the assurance of sustainability reports, applicable to both GRI-based and IFRS S1/S2-based reports (IAASB, 2023).

TECHNICAL CHALLENGES AND OUTLOOK

Despite advances, significant technical challenges remain related to data reliability, especially concerning complex value chain metrics and Scope 3 emissions, which depend on information provided by suppliers and external partners (Deloitte, 2023; Wagenhofer, 2024). The heterogeneity of measurement systems, the lack of uniform data collection standards, and insufficient integration between accounting and financial and ESG areas still compromise the comparability and verifiability of disclosures (Wahyuni, 2025). However, there is a growing consensus that independent assurance will be an essential pillar to ensure the credibility of sustainability reports under any regulatory framework (IFAC, 2024). The convergence between GRI, ISSB, and IAASB assurance standards tends to strengthen the integration between sustainability reporting and financial auditing, promoting greater confidence in the global disclosure ecosystem (IFRS Foundation, 2023b; Wagenhofer, 2024).

PRACTICAL COMPARISON: IMPACTS ON DISCLOSURE AND CORPORATE GOVERNANCE

The conceptual differences between GRI and IFRS/ISSB are reflected in observable practices within companies, influencing report content, data systems, internal control mechanisms, and corporate communications (Global Reporting Initiative, 2021; IFRS Foundation, 2023a).

REPORT CONTENT

Companies that adopt the GRI generally include detailed chapters on environmental impacts, human rights, labor conditions, local economic impacts, and stakeholder dialogue, reflecting the principle of double materiality (Global Reporting Initiative, 2021). IFRS-only companies (ISSB): Their reports, often integrated into the annual report or financial statements, tend to focus on environmental and climate-related risks and opportunities that affect financial performance, such as transition scenarios, financial sensitivity, and value-linked metrics (IFRS Foundation, 2023b; Wagenhofer, 2024).

DATA SYSTEMS AND INTERNAL CONTROLS

GRI-adopter companies require comprehensive data collection systems that capture impacts across the value chain, often with extensive qualitative data. IFRS-only companies, on the other hand, require robust controls and accounting integrations that connect sustainability disclosures to financial estimates, risks, and cash flows, strengthening consistency with audited financial statements (IFRS Foundation, 2023b; Deloitte, 2023). This difference implies that the GRI standard prioritizes comprehensive data and social engagement, whereas the IFRS standard prioritizes financial integration and accounting traceability (Lokita & Megawati, 2024).

EXTERNAL COMMUNICATION AND REPUTATION

GRI-based reports hold high reputational value among communities, NGOs, and consumers, as they demonstrate an organization's ethical commitment and corporate social responsibility (Global Reporting Initiative, 2024). IFRS/ISSB-oriented reports tend to increase the trust of institutional investors and financial analysts, reinforcing transparency and market comparability (Harvard Law School Forum on Corporate Governance, 2023). In practice, many large corporations adopt hybrid strategies, utilizing GRI for impact reporting and ISSB for financial integration, to maximize credibility with diverse audiences (Consultancy.eu, 2024).

EMPIRICAL EVIDENCE AND RECENT STUDIES

Empirical literature demonstrates that the GRI remains the most widely adopted standard globally, both in terms of the number of reports and sectoral diversity (Maroun, 2024; ScienceDirect, 2025). Recent systematic reviews highlight the role of the GRI in general corporate standardization and transparency. Qualitative comparative studies identify tensions between investor-oriented accounting (ISSB/IFRS) and social and impact accounting (GRI), but point to harmonization and interoperability as the most promising path (Wagenhofer, 2024; Lokita & Megawati, 2024). Methodologically, it is observed that many studies still use regional samples and heterogeneous measurement criteria, such as report quality indices, the number of indicators disclosed, and the existence of assurance. This methodological diversity limits comparability across studies and reinforces the need for empirical standardization (Wahyuni, 2025).

PROPOSED METHODOLOGY FOR COMPARATIVE STUDIES

To empirically assess the differences between companies that adopt GRI and those that follow only IFRS/ISSB, a replicable research design is proposed:

1. Sample: companies listed on stock exchanges in the European Union, US/UK, and Latin America, covering natural resource-intensive and non-intensive sectors ($n \approx 300$).
2. Period: 2022–2024, to capture the initial transition phase to the ISSB.
3. Dependent Variables:
 - Reporting quality (composite index: extent, targets, assurance, and granularity);
 - Emissions transparency (scopes 1, 2, and 3);
 - Cost of capital (proxy for investor utility);
 - Media-adjusted corporate reputation.
4. Independent variables: GRI adoption (binary), IFRS S1/S2 adoption (binary), controls (size, profitability, sector, country).
5. Methods: Multivariate regressions, difference-in-differences (for companies migrating from IFRS-only to GRI+ISSB), and qualitative content analysis.
6. Data sources: Corporate reports, ESG databases, regulatory publications (GRI, IFRS), and financial databases (Compustat, Orbis). (IFRS Foundation, 2023b; Wahyuni, 2025).

DISCUSSION — ADVANTAGES AND LIMITATIONS COMPARED

ADVANTAGES OF GRI ADOPTION

- Broad coverage of social, environmental, and economic impacts;
- Standardized indicators that facilitate sectoral benchmarking;
- High legitimacy and acceptance by non-financial stakeholders (Global Reporting Initiative, 2021).

ADVANTAGES OF IFRS S1/S2 ADOPTION

- Direct integration with financial reporting and investor decisions;
- More robust international comparability;
- Greater support for risk and return analysis (IFRS Foundation, 2023a; Deloitte, 2023).

LIMITATIONS

- GRI-only: may be seen as insufficient for investors due to a lack of connection with financial metrics.



- IFRS-only: may omit non-financial social and environmental impacts, reducing accountability and public legitimacy. • Both frameworks still face technical challenges in data assurance and reliability, especially for Scope 3 emissions (Global Reporting Initiative, 2024; Wagenhofer, 2024).

PRACTICAL RECOMMENDATIONS FOR COMPANIES

1. Adopt a hybrid approach — use GRI for impacts and ISSB (IFRS S1/S2) for investor-facing information, leveraging interoperability guides (Global Reporting Initiative, 2024).
2. Strengthen data governance, integrating accounting and sustainability systems.
3. Invest in independent assurance, prioritizing critical metrics (emissions, human rights, supply chain).
4. Engage with stakeholders to align dual and financial materiality.

FOR REGULATORS AND STANDARD SETTERS

1. Promote practical interoperability through technical guides and thematic templates (IFRS Foundation & Global Reporting Initiative, 2023).
2. Support professional development and the development of global assurance standards.

FOR RESEARCHERS

1. Develop comparable reporting quality metrics and longitudinal models.
2. Analyze the effects of mixed adoption (GRI + ISSB) on cost of capital, reputation, and governance (Wahyuni, 2025; Lokita & Megawati, 2024).

CONCLUSIONS

A comparison between companies that adopt the Global Reporting Initiative (GRI) and those that follow only the International Financial Reporting Standards Foundation (IFRS/ISSB) reveals distinct but complementary approaches to sustainability disclosure. The GRI emphasizes a dual materiality perspective, considering both the company's external impacts on the environment and society, as well as the impacts of these factors on the company itself. This approach reflects a logic of corporate responsibility and accountability to a broad range of stakeholders, including communities, workers, customers, and governments (Global Reporting Initiative, 2021, 2024; Maroun, 2024).

In contrast, the ISSB/IFRS adopts a single financial materiality approach, centered on the relevance of information for the economic decisions of investors and creditors. The focus is on creating and preserving value in the short, medium, and long term, with an emphasis on the risks and opportunities that affect financial performance (IFRS Foundation, 2023a, 2023b; Wagenhofer, 2024).

Far from representing competing models, the GRI and IFRS S1/S2 standards can be seen as complementary. While the GRI provides a holistic view of social, environmental, and governance impacts, the ISSB/IFRS brings technical robustness and comparability to financial analyses (Lokita & Megawati, 2024; Deloitte, 2023). This institutional complementarity has been recognized by both organizations, which, since 2023, have developed interoperability guidelines to enable the cross-use of indicators and reduce redundancies between reports (Global Reporting Initiative, 2024; IFRS Foundation, 2023b).

The global trend, therefore, is toward greater regulatory convergence and cooperation to strengthen the transparency, credibility, and usefulness of corporate information. Combined adoption (GRI + IFRS S1/S2) is currently the emerging best practice, as it simultaneously serves investors and civil society, balancing economic relevance and social responsibility (Harvard Law School Forum, 2023; Wahyuni, 2025).

In this context, it is recommended that companies establish integrated data governance systems capable of collecting, verifying, and ensuring the sustainability of information in a consistent and auditable manner. Strengthening independent assurance—whether conducted by financial auditors or sustainability experts—is crucial for enhancing user confidence and mitigating informational greenwashing (Deloitte, 2023; Wagenhofer, 2024).

In summary, the analysis reveals that integrating GRI and IFRS/ISSB not only enhances transparency but also enhances decision-making among various stakeholders, promoting responsible governance, global comparability, and market trust. This work was based on a documentary review and theoretical-institutional synthesis, gathering information from the primary regulatory sources



(GRI, IFRS, ISSB) and recent academic literature. Although the method enables the identification of conceptual and normative convergences, it lacks large-scale empirical evidence, which constitutes a significant limitation (Wagenhofer, 2024; Maroun, 2024). To strengthen the validity of the findings, future research should apply the comparative methodological design proposed in the previous section, using statistical samples representative of companies and sectors, in order to quantitatively measure:

- the impact of GRI or IFRS S1/S2 adoption on the cost of capital and the perception of risk and return;
- the effect on the quality and assurance of sustainability reports;
- and the relationship between mixed adoption (GRI + ISSB) and corporate reputation (Wahyuni, 2025; Lokita & Megawati, 2024).

Furthermore, there is room to explore the role of audits and assurance providers in the process of convergence between GRI and ISSB, a topic that is likely to gain prominence with the evolution of European Union regulatory requirements (CSRD) and global capital markets (IFRS Foundation, 2023b).

Finally, it is recommended that future research combine quantitative and qualitative methods—such as content analysis, panel regressions, and interviews with sustainability managers—to understand how companies internalize dual materiality and translate these principles into effective governance practices (Maroun, 2024; Wagenhofer, 2024).

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