

Review of: "Do investors value higher reporting quality, and can expanded audit reports unlock this value? A sustainability reporting reflection"

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Potential competing interests: No potential competing interests to declare.

I think the author should provide a better link between the article reviewed and the topic of sustainability reporting and assurance. This could be done, for example, by offering some ideas on how a similar study could be conducted concerning these such reporting and assurance.

However, I wonder whether what is really at stake in the case of sustainability reporting and assurance is really merely the provision of reliable information to be used by investors. Are the problems of environmental degradation or social and economic inequality to be mitigated via market mechanisms, as recent developments such as the creation of the International Sustainability Standards Board (ISSB), mentioned by the author, and the Value Reporting Foundation (VRF) (which has recently consolidated into the IFRS Foundation) lead to believe? I really doubt this is the case, but the author may have a different opinion. The author touches upon this issue when calling for future studies exploring "whether the current IFRS sustainability standards underway are not another own version of sustainability reporting that may obstruct the innovative nature of sustainability reporting". I personally believe this is the case, that is, the ISSB sustainability-related reporting standards are likely to have an obstructive or detrimental effect, but the author may have a different view. This aspect could be further developed in the article.

The author could discuss these issues by, for example, introducing into the discussion recent European Union (EU) developments, namely the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards [recently approved by the European Financial Reporting Advisory Group (EFRAG)]. These EU developments seem to be driven by a different approach than that underlying the ISSB and VRF efforts.

All these aspects could be discussed on the basis of recent literature that also debates them (see suggested readings). I believe that the author could strengthen the article by including some of these aspects.

Suggested readings:

Abela, M. (2022). A new direction? The "mainstreaming" of sustainability reporting. *Sustainability Accounting, Management and Policy Journal*, 13(6), 1261-1283.

Adams, C. A., & Mueller, F. (2022). Academics and policymakers at odds: the case of the IFRS Foundation Trustees' consultation paper on sustainability reporting. *Sustainability Accounting, Management and Policy Journal*, 13(6), 1310-1333.

Cooper, D. J., Everett, J., Himick, D., & Senkl, D. (2022). Rethinking Accounting, Accountability, and Accounting Regulation: Concerns about the Proposed Canadian Sustainability Standards Board. *Accounting Perspectives*, ahead-of-print.

Giner, B., & Luque-Vílchez, M. (2022). A commentary on the "new" institutional actors in sustainability reporting standard-setting: a European perspective. *Sustainability Accounting, Management and Policy Journal*, 13(6), 1284-1309.

Maechler, S. (2022). Accounting for whom? The financialisation of the environmental economic transition. *New Political Economy*, ahead-of-print.

Parfitt, C. (2022). A foundation for 'ethical capital': The Sustainability Accounting Standards Board and Integrated Reporting. *Critical Perspectives on Accounting*, 102477.