

Leveraging ESG Reporting for Corporate Reputation: A Study on Supply Chain Transparency in Environmental Practices

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Abstract. This research focuses on the intersection between Environmental, Social and Governance (ESG) reporting and corporate reputation, specifically in relation to supply chain transparency. ESG reporting has become an important aspect of corporate governance in an age of rising environmental and social consciousness. The research uses a qualitative method and case studies of companies across a wide range of industries, from Tesla to Walmart, Microsoft to Nestlé to DHL, to investigate the effect of open ESG policies on public confidence and brand perception. Results show a strong positive relationship between ESG transparency and corporate reputation – transparent companies have higher public trust and loyalty. But supply chain transparency remains a major obstacle due to lack of standardised ESG metrics and resistance from supply chain partners. This research also points to sectoral differences, with retail and logistics performing better than manufacturing and food & beverage because of easy supply chains and higher consumer demand. This research shows that robust ESG reporting is critical for reputation management and competitive advantage. It also stresses the need for industry-based tactics and the use of technologies like blockchain and IoT for visibility of the supply chain. These insights are helpful for organisations who are seeking to balance sustainability with business outcomes and stakeholder expectations.

Keywords: ESG reporting, company reputation, supply chain transparency, green policy, corporate social responsibility

1. Introduction

Environmental, Social and Governance (ESG) reporting has become a cornerstone of corporate governance in recent years, as well as an indicator of an organisation's ethical and sustainable performance. Increased consumer, investor and regulator concern about the environment and social aspects of our business has pushed companies to make sustainability more transparent than ever. ESG reporting can also become a key communication tool for organisations to communicate their plans, results and long-term objectives on three fronts: environmental sustainability, social accountability and governance quality. Through open and detailed ESG disclosures, organisations can build trust, credibility and goodwill among stakeholders, thereby building reputation and market presence. Transparency in the supply chain has become an important feature of ESG reporting. And the impact of an enterprise on the environment no longer depends only on its own actions but also on the actions of its suppliers and partners. Customers and investors want to know the environmental impacts of all supply chains from the point of origin to the point of consumption. This rising transparency pressure is motivating organizations to use cutting-edge technologies like blockchain, IoT, RFID and others to track, report and improve sustainability performance. But full supply chain transparency is still not possible, particularly in sectors that have global supply chains – such as manufacturing and food & beverage [1]. These industries are usually resisted by inconsistencies in ESG measures and supply chain stakeholders who are unwilling to reveal information. The focus of this paper is on the connection between ESG reporting and reputation – specifically supply chain transparency. With case studies of five brands — Tesla, Walmart, Microsoft, Nestlé, and DHL — it examines the impact of ESG transparency on brand trust and brand equity in industry. This study will help us understand the problems and possibilities of ESG reporting and make suggestions for using transparency to improve reputation and performance of companies in an increasingly volatile business landscape.

2. Literature Review

2.1. Concept of ESG Reporting

ESG reporting is now a part of corporate governance, an important indicator of whether an organisation has an ethical and responsible business attitude. These reports give companies a format to report their results and projects in three main areas: environmental, social and governance. Offering context-driven details, ESG disclosures help investors, customers and regulators evaluate a company's environmental performance and its sustainability in the long term for society and the Earth. Environmental reports tend to be about energy use, carbon emissions, waste, water, and biodiversity. Social involves a business's interactions with employees, stakeholders and customers — such as labour practices, diversity and inclusion, health and safety, and social interactions. The governance elements include internal frameworks and operations such as board diversity, executive compensation, ethics and regulatory reporting. Not only does ESG reporting demonstrate transparency and accountability but it also proves an organisation's interest in sustainability. It is an arena where companies share their plans, achievements and future ambitions on issues of major global importance like climate change and social injustice. By doing so, organisations can increase stakeholder trust and credibility [2]. In a world where environmental and social consciousness grows, powerful ESG reporting is no longer a choice but a must. Stakeholders demand more and more openness, and any company that doesn't keep up is in danger of losing investor trust, customer loyalty and competitive advantage. On the other hand, companies that are incredibly well-reported by ESG tend to appear more ethical, progressive and strong. It is a perception that can significantly increase the corporate reputation, market position, stakeholder relations, and bottom line. When organizations match their ESG practices with international sustainability benchmarks and report on them as transparent, they can lead in the ethical realm, foster greater stakeholder relationships, and inspire real change. ESG reporting is then no longer a governance measure but an integral part of company growth, reputation management and sustainability.

2.2. Supply Chain Openness and Sustainability Best Practices

Transparency in supply chain is essential for businesses aiming to get in tune with the spirit of sustainability. The most openly transparent supply chain involves transparency around environmental impacts from the raw material source to the finished product. The most meaningful sustainable companies do not just have to be thinking about what they're doing, they also need to make sure that their suppliers and partners take the same environmental approaches. Figure 1 shows the technologies of supply chain transparency that can help organizations monitor, report and continuously optimise their sustainability outcomes. Blockchain, RFID, IoT, and data analytics can all increase visibility in the supply chain and make it easier to report environmental footprints. For instance, blockchain can maintain the inviolable proofs of sourcing and manufacturing, RFID and IoT allows real-time tracking of materials and products along the supply chain. These technologies also enable organisations to drive down costs, avoid risks arising from unjust or unsustainable business activities, and address rising stakeholder demands [3]. Customers now expect not just a company's explicit environmental policy to be made publicly available, but the sustainability performance of suppliers as well. Forums run by industry experts, third-party reporting systems and ERP systems further facilitate transparency by enabling collaboration and standardised reporting. It can be difficult to make everything transparent in the most complex supply chains, like manufacturing and retail. But with these new technologies, it has become more possible and makes transparency a key component of corporate sustainability and a driver of stakeholder confidence.



Figure 1. Technologies of supply chain transparency(Source:researchgate.net)

2.3. Corporate Reputation and ESG

Reputation is an essential resource for companies that shapes their customer retention, brand perception, and competitiveness. ESG performance is increasingly linked to reputation in recent years, particularly in environmental-relevant sectors. ESG-focused companies tend to be seen as more reliable, responsible and progressive – all of which contribute to their goodwill and the feeling of confidence in their product. Meanwhile, ESG-poor or invisibility-deficient companies are vulnerable to reputational risk such as consumer boycotts, shareholder mobilisation and a fallout from public perception. An ESG profile that has a good score can be an important factor in market performance in sectors like energy, manufacturing and consumer goods, where environmental concerns are high [4]. ESG reporting therefore becomes very important for public understanding – particularly in industries where environmental sustainability is of particular concern to consumers.

3. Methodology

3.1. Research Design

This paper adopts a qualitative research approach to investigate the association between ESG reporting and corporate reputation through supply chain transparency. It follows a case study method, exploring a variety of companies that have adopted ESG reporting mechanisms to get a deep dive into the strategy and outcomes. This approach is particularly helpful because it demonstrates the practical use of ESG reports by businesses across industries to build their reputation and mitigate environmental impacts. It also assesses how well ESG reporting can be implemented in industries, focusing on those with highly complex supply chains where environmental practices are harder to track and report [5].

3.2. Data Collection

This research is conducted using data derived from both secondary and primary sources. Secondary data comes from publicly accessible ESG reports, sustainability reports, and company websites. These reports are very useful in both a quantitative and qualitative way regarding the sustainability of the company's initiatives, such as environmental objectives, energy consumption, waste reduction policies, and supply chain activities. Primary data is collected from interviews with sustainability officers, supply chain managers and corporate communications executives to capture internal processes, challenges and perceptions around ESG transparency [6].

In Table 1 below, we provide a list of the secondary data drawn from ESG reports of five well-known companies representing various industries. The table contains the number of reported environmental targets, the amount of supply chain transparency disclosed and the frequency of public ESG reports. These data points helped identify trends and sectors' differences in ESG reporting practices. The retail and logistics companies (including Walmart and DHL) have higher levels of supply chain transparency compared to automotive and food & beverage. Walmart's 85% supply chain transparency, for example, demonstrates Walmart's extensive transparency efforts to satisfy consumers and regulators. Likewise, Microsoft's frequency of ESG updates (six annually) illustrates the tech industry's active involvement in solving sustainability issues. These differences highlight the sector-specific challenges and potential of establishing strong ESG reporting.

3.3. Analytical Framework

For analysis, thematic coding is used to identify core themes of transparency, sustainability, and reputation. This approach facilitates a structured way of conceptualizing the ways companies address ESG issues and how these are tied to reputation management. Coding is a continuous process that allows themes to be kept current and relevant during the process of analysis. The platform also performs cross-case comparisons to identify trends and variations in industry adoption of ESG reporting. In fact, Table 1 reveals that the supply chain transparent industries, including retail and logistics, have frequent ESG updates and therefore a more stable reputation. Correlation analyses also help determine the correlation between ESG transparency and corporate reputation measures like brand awareness, customer satisfaction, and market share [7].

Table 1. Summary of ESG Reporting Data from Selected Companies

Company	Industry	Environmental Targets (No.)	Supply Chain Transparency (%)	ESG Updates (Frequency/Year)
Tesla, Inc.	Automotive	14	60%	4
Walmart Inc.	Retail	10	85%	3
Microsoft Corporation	Technology	18	75%	6

Table 1. (continued).

Nestlé S.A.	Food & Beverage	12	65%	4
DHL Express	Logistics	9	80%	3

4. Findings and Results

4.1. The Impact of ESG Transparency on Corporate Reputation

ESG transparency and corporate reputation also have a robust positive correlation, says the research. Businesses with open, comprehensive ESG reports (especially those related to environmental performance) are more reliable to consumers and investors. Such transparency helps build trust and generate positive public perception that in turn increases brand equity and customer loyalty. Table 2 illustrates, for example, the association between ESG transparency scores and corporate reputation scores (on a 100-point scale) for five companies. Reputation Score: High-transparency companies like Walmart or Microsoft have a high reputation score when compared to low-transparency ones. The correlation between Walmart ESG transparency (85%) and corporate reputation score (92) reflects the power of openness on public perception, as we can see from Table 2. As a sidenote, Microsoft and DHL also score high in reputation for high ESG transparency [8]. These results demonstrate the value of explicit and concise ESG reporting to establish stakeholder confidence and increase brand equity in sectors such as retail and logistics where consumer demands are high.

Table 2. Correlation Between ESG Transparency Levels and Corporate Reputation Scores

Company	ESG Transparency (%)	Corporate Reputation Score (Out of 100)
Walmart Inc.	85%	92
Microsoft Corporation	75%	89
Nestlé S.A.	65%	83
Tesla, Inc.	60%	78
DHL Express	80%	87

4.2. Supply Chain Transparency Challenges in Implementation

But even with the benefits, companies still struggle to achieve full supply chain visibility. The main barrier is a lack of standardised ESG indicators across the industries so businesses can't benchmark with other companies or gauge how they're doing. Walmart and Microsoft, for instance, have internal metrics in place to measure and disclose supply chain transparency, but other companies like Tesla have lower levels (60%) which show how hard it can be to bring similar structures across industries. It is also often a challenge to the businesses as supply chain partners can't always be convinced to release sensitive environmental information or make more sustainable choices due to price or logistics reasons [9]. These challenges need to be tackled with leadership, transparency and industry-wide norms to promote greater transparency and accountability across supply chains. Businesses that manage to navigate through such obstacles – as DHL did, with its 80% transparency – are likely to compete successfully and gain a good name for their company.

4.3. Sectoral ESG Reporting Gaps

Each industry has their own challenges and opportunities when using ESG reporting for reputation. For instance, manufacturing companies can't always track the environmental footprint of their supply chains, since their activities are so large and complex. This can be seen in Tesla's 60% low transparency score compared to other sectors. Alternatively, retailers like Walmart also use ESG transparency to gain competitive edge in the marketplace, as consumers become increasingly eco-conscious. This data also shows that the food and beverage industry (Nestlé) is surrounded by certain challenges, including the challenges of sourcing raw materials from various locations. But the retail and logistics sector – Walmart, DHL – do better on ESG due to consumer pressure and simpler supply chain arrangements. These industry gaps emphasise the need to adapt ESG policies to the specific needs and challenges of each industry in order to maximise their reputation management impact [10].

5. Conclusion

This paper is an endorsement of the role of ESG reporting to determine corporate reputation, as supply chain transparency is fundamental to maintaining public trust and brand loyalty. This analysis shows that ESG transparency is highly positively related

to corporate reputation, with high-transparency companies like Walmart and Microsoft getting higher stakeholder trust and loyalty. This research also points to the impediments to full supply chain transparency ranging from the lack of standardised ESG metrics to supply chain partners' resistance to reporting in industry. ESG reporting across industries was also differentiated by sector – retail and logistics had lower ESG reporting compared to manufacturing and food & beverage due to simplified supply chains and higher consumer demand. Such inefficiencies signal the demand for sector-specific approaches and sector-specific ESG frameworks that respond to the specific concerns of the sector. Also, the use of specialised technologies like blockchain, IoT, and data analytics has been found to facilitate visibility into supply chains and more accurate ESG reporting. Conclusion ESG reporting is no longer a governance requirement but an edge tool for reputation management, stakeholder engagement and competitive advantage. Transparent and sustaining organisations, which have sustainability programs in line with the world's best, are better equipped to manage the modern business environment and ensure sustainable growth. We need future studies on the economics of ESG transparency and the applications of digital platforms to the sustainability of supply chains to learn more about this growing discipline.

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