

## **Sustainability Accounting and Reporting Towards a Framework for Compliance Policy**

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### **Abstract**

Sustainability accounting and reporting (SAR) has become the foundation of transparency in the financial sector especially with global standards such as the Task Force on Climate-related Financial Disclosures (TCFD) and the International Financial Reporting Standards (IFRS), specifically IFRS S1 and S2, continuing to shape disclosure practices. This study examined the impact of Generally Accepted Accounting Principles (GAAP) and IFRS on SAR within the context of BDO Unibank, the top-performing universal bank of the Philippines. The study used a quantitative research design and retrieved data from BDO's sustainability and annual reports for the years 2020 to 2024. These data were scored based on compliance indicators and the results were analyzed using regression and moderated regression analysis. The findings showed that compliance with GAAP remained constant at 100 percent. Thus, it serves as a baseline but does not offer explanatory power in relation to SAR. IFRS revealed a strong descriptive influence on SAR, explaining 87 percent of its variance. However, its statistical significance was limited because of the study's small sample size. The moderating effects of return on assets (ROA) and return on equity (ROE) were not confirmed empirically. But they remain conceptually important as enabling conditions for sustainability disclosures. From these results, the study developed a compliance-oriented framework that positioned GAAP as the foundation, and IFRS as the primary driver with ROA and ROE as contextual enablers of sustainability reporting. This paper supports to the budding literature on sustainability accounting and reporting as it proposes a framework that Philippine banks may implement in order to align with global reporting expectations.

*Keywords: Sustainability Reporting, International Financial Reporting Standards, Compliance Indicators, Philippine banks*