

Leveraging Text Analytics to Evaluate ESG Metrics' Influence on Corporate Sustainability Frameworks

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ABSTRACT

Companies achieving sustainable business practices through Environmental Social and Governance (ESG) metrics integration now drive transparency and stakeholder involvement effectively. Electing qualitative research methods allows this investigation to study ESG metrics' effects on corporate sustainability strategy development through text analysis performed using both Latent Dirichlet Allocation (LDA) and Correspondence Analysis (CA) on ESG reports, regulatory texts, and academic publications. ESG metrics demonstrate essential importance in both corporate governance structures and regulatory conformity, as well as stakeholder commitment and financial planning applications. Future sustainability trends, together with corporate accountability, social impacts, and risk management, formed ten main themes that emerged from this analysis. The remaining themes were environmental practices with credibility, ESG reporting standardization, strategic ESG initiatives, and ESG disclosure communication and investor influence, followed by regulatory compliance and climate risk management and financial reporting with ESG risk analysis. The research objectives align well with the identified themes according to thematic mapping and CA results, which together create an extensive framework for ESG metric assessment in corporate sustainability strategies. A thorough analysis demonstrates that organizations must prioritize disclosure of ESG metrics together with sound governance systems while allowing investors to play a role and follow regulations in order to advance sustainability. Corporate decision-makers need to understand the essential implications that emerge from these findings because they demonstrate why structured ESG implementation methods are vital. Research must continue to analyze the developing ESG reporting environment and emerging regulatory changes and technological advancements that improve corporate accountability and governance transparency.

Keywords: ESG metrics, Corporate sustainability strategies, ESG reporting, Regulatory compliance, Text analytics, Text analysis, Text mining

INTRODUCTION

Businesses use Environmental Social Governance (ESG) metrics to develop sustainable strategies because environmental challenges meet social responsibility standards, and governance requires strict oversight. ESG metrics function as essential indicators to evaluate corporate effectiveness, and they affect investor faith and regulatory needs while promoting extended worth creation. The integration of ESG principles into corporate decision-making represents both a strategic corporate requirement and a powerful mechanism to accomplish sustainable ethical business expansion.

Multiple theoretical models have directed academic studies about ESG metrics affecting corporate sustainability approaches. Stakeholder theory (Freeman, 1984) reinforced business accountability by revealing shareholders were accompanied by multiple stakeholder groups such as employees, customers, regulators, and communities, thus leading to ESG integration in corporate decision-making. According to legitimacy theory (Suchman, 1995), organizations chose ESG practices because they needed to match societal expectations, boost transparency, and maintain public trust, especially when facing regulatory oversight. Organizations adopt ESG norms through institutional pressures, which include coercive, mimetic, and normative elements to secure future sustainability

and market leadership. Resource-based view (RBV) theory (Barney, 1991) demonstrated that ESG practices operate as strategic assets because they generate distinctive capabilities, which include better brand reputation, stronger risk management, and increased stakeholder devotion. Through the Signaling theory (Spence, 1973), firms disclosed ESG information to demonstrate their dedication to sustainability, which helped them obtain investors while decreasing market financial uncertainty. The merger of various theories highlights the essential role that ESG metrics play in developing sustainability strategies and increasing business survivability while generating lasting value.

ESG reporting systems started to receive increased oversight from regulators as different jurisdictions adopted standardized reporting methods. The Corporate Sustainability Reporting Directive (CSRD) of the EU, together with the International Sustainability Standards Board (ISSB), established formatted reporting conditions that drive ESG reporting compliance (Shakeri, 2025; Bruhati, 2024). The implementation of AI with blockchain technologies developed proper ESG data acquisition methods, which produced accurate results while providing more transparency between companies and investors (Iris Business, 2025). ESG metrics became complicated because rating providers did not use standardized criteria, which resulted in inconsistent evaluation methods (McKinsey, n.d.). Businesses faced the dual task of meeting stakeholder needs alongside regulatory compliance requirements as one of their major hurdles (Greenmyna, 2024). The collection and quality maintenance of ESG data remained problematic because well-organized reporting platforms were not available to guarantee accurate data consistency (Greenmyna, 2024). The enforcement of ESG regulations presented a major challenge for businesses because they needed to adjust their operations to complex evolving rules, which required extensive time and financial investments (Bedford Consulting, 2023).

ESG metrics have become increasingly important globally for companies, yet organizations face substantial difficulties when it comes to incorporating them into operational decision-making. The goal of ESG frameworks is to increase clear reporting, sustainable operations, and long-term performance, but measurement standards alongside data reliability and compliance requirements act as barriers to complete implementation. Numerous companies encounter difficulties in linking ESG reporting to their strategic sustainability goals because they face challenges, including greenwashing stakeholder doubts and regulatory differences. The absence of a standardized ESG measure leads to different opinions about corporate sustainability performance, which makes it hard for investors and policymakers to determine the effectiveness of sustainable impact measures. This research investigates the degree to which ESG metrics impact business sustainability approaches together with executive choices and sustainable value generation because regulators, investors, and consumers demand real ESG commitments from companies. This study works to solve these obstacles in order to offer business insights about ESG metrics as strategic sustainability tools and risk management instruments and competitive advantages that lead to both academic understanding and corporate governance enhancements.

Objective of the study

Following are objectives of the study

- To explore ESG metrics in corporate sustainability strategies using text analytics.
- To analyze stakeholder narratives on ESG decisions through text analysis.
- To investigate regulatory challenges in ESG reporting using text mining.
- To examine technological innovation in ESG-related corporate communications.
- To develop a framework for assessing ESG metrics from textual data.

Studies connected to ESG metrics and their effects on corporate sustainability planning require in-depth knowledge about current standards, together with emerging patterns and operational obstacles. The research must establish its position within academic and industry discussions about ESG reporting, qualitative data analysis, and corporate decision-making because text analytics tools increasingly process sustainability disclosures and stakeholder and regulatory texts. A literature review analyzes fundamental theoretical bases and existing investigations regarding ESG execution methods and evaluation, as well as technological advancements in sustainability research assessment. The review provides an essential theoretical background that helps contextualize the exploratory design of the study and directs both the identification of research gaps and the development of the methodology.

LITERATURE REVIEW

ESG metrics serve as vital aspects of corporate sustainability reports because they allow organizations to show their sustainable business practices and accountability, foster transparency to regulators and investors, and help manage operational risks (Suttipun et al., 2025). Standardization issues persist, along with accuracy and comparability difficulties when it comes to ESG disclosures, because ESG reporting does not have a globally standardized framework like financial reporting standards like GAAP or IFRS (Rahman et al., 2025).

The global disclosure frameworks GRI, TCFD, and ESRS have developed to increase consistency, yet structural differences among them continue to be a critical issue, according to Magli and Amaduzzi (2025). ESG metrics provide sustainability benchmarks through which organizations measure their performance in environmental aspects and social factors and governance elements that include board composition and anti-corruption measures (Suttipun et al., 2025). ESG metrics, which appear in corporate sustainability reports, establish both investor transparency and ethical interest through the rising utilization of blockchain technology in preventing greenwashing and validating ESG disclosure contents (Emmanuel, 2025).

Evidence indicates that organizations with higher ESG scores receive increased sustainable investor interest while lowering their risk profile (Suta et al., 2025). Strategic ESG reporting enables organizations to achieve better internal control systems, which concurrently enhances financial governance and speeds up the completion of audit reports (Jizi & Thomas, 2025). The EU's CSRD regulation, together with similar rules like the CSRD, force companies to reveal sustainability-related risks while presenting opportunities resulting in advanced and transparent disclosure practices (Rana et al., 2025; Jarboui et al., 2025).

Future ESG reporting will incorporate NLP and AI methodologies for better data evaluation. At the same time, fintech solutions will help standardize datasets and expand their accessibility (Roy & Vasa, 2025; Sahu & Debata, 2025). Companies need standard ESG reporting criteria to improve both corporate responsibility and sustainable business practices despite the advancement of ESG disclosures toward transparency and compliance objectives.

ESG metrics function as essential elements in corporate sustainability reports to show sustainable business practice dedication as well as transparency and accountability while providing vital risk management tools for companies and investors and regulatory compliance frameworks (Suttipun et al., 2025). Many experts debate the accuracy and standardization issues of ESG reporting because it operates without a standard framework like financial reporting systems that utilize GAAP or IFRS (Rahman et al., 2025). The GRI TCF, D, and ESRS frameworks serve as global ESG disclosure systems that resolve the current reporting issues while enhancing comparability between companies (Magli & Amaduzzi, 2025).

The ESG metrics serve as performance evaluation standards for sustainability assessments, which combine environmental results with social practices alongside governance systems (Suttipun et al., 2025). Companies add sustainability metrics to their reports for better transparency and earn ethical investors through enhanced disclosure reliability by using blockchain technology, which reduces potential greenwashing occurrences (Emmanuel, 2025). Studies show that that ESG disclosure activities produce positive financial outcomes because organizations that display superior ESG performance records deliver better return on assets (ROA) together with enhanced stock market performance (Suta et al., 2025). Sustainability reporting enhances financial governance systems and establishes strong internal controls, which shortens audit reporting periods, leading to higher organizational transparency (Jizi & Thomas, 2025).

International governments perform stringent sustainability reporting requirements which alter ESG disclosures through mandates like the EU's CSRD that compel businesses to reveal sustainability-based risks and opportunities, thus resulting in more exposed and transparent reporting (Rana et al., 2025; Jarboui et al., 2025). The upcoming era of ESG reporting will receive its direction from AI and NLP-enabled data analysis systems combined with fintech improvements for data consistency and better analytics of climate risks across organizations (Roy & Vasa, 2025; Sahu & Debata, 2025).

Businesses now make ESG strategies fundamental to their corporate stories because these strategies help improve their reputation while reducing risks and generating lasting economic value (Jamil & Wahyuni, 2024).

ESG narratives center on transparency and accountability because organizations use direct sustainability communication to show their goals and performance measurements and risk evaluations to build trust and credibility (Whelan, Eckerle, & Tomlinson, 2020). The practice of clear ESG disclosure creates trust with investors and social groups by fighting against greenwashing practices (Jamil & Wahyuni, 2024). The discussion on ESG emphasizes risk management and organizational resilience through which companies use their ESG initiatives to face financial, rational, and reputational threats, particularly when dealing with climate-related financial risks (Biswas, Das, & Mitra, 2024).

Firms that implement properly organized ESG strategies demonstrate better financial performance, which indicates that ESG compliance operates as both a regulatory obligation and a performance-enhancing element (Rana et al., 2024). The theme of ESG-driven innovation emphasizes the business use of ESG principles to create sustainable financial approaches with green tech and moral supply chains that boost operational outcomes while setting organizations apart from the competition and attracting investors (Bonfanti, 2024; Sahu & Debata, 2025). Stakeholder engagement, along with social responsibility, operate as essential components of ESG narratives through which businesses present sustainability initiatives as joint projects that generate shared worth for workers, customers, investors, and local communities (Ani & Solissa, 2024).

Many companies exhibit Corporate Social Responsibility (CSR) initiatives with diversity, equity and inclusion programs which they showcase through their ESG commitments (Wang & Phillips-Fein, 2023). ESG disclosure frameworks like the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD), together with European Sustainability Reporting Standards (ESRS), receive top priority from companies within regulatory compliance (Jang & Kang, 2023). ESG strategies receive mostly positive attention, but ongoing challenges like greenwashing and ESG doubt exist, and certain businesses encounter criticism for empty ESG statements (Jamil & Wahyuni, 2024). Unjustified ESG statements threaten corporate trustworthiness, thus prompting regulators to monitor companies, which requires companies to implement transparent ESG reporting systems that maintain stakeholder honesty (Tan et al., 2025).

Corporate communications now focus on ESG initiatives because companies use stakeholder perceptions to build reputation while linking sustainability and ethical governance to their strategies (McCall, 2024). Stakeholder trust relies heavily on transparent ESG reporting because it enables public disclosure verification to prevent sustainability-related skepticism and avoid or reduce misrepresentation of environmental efforts (Usman, 2024). Some organizations present their ESG successes to the public but conceal their difficulties, which creates credibility gaps (Casalegno, Chiaudano, & Tamiazzo, 2024). The ESG initiatives of companies receive distinct interpretations from investors who assess them as risk management while consumers focus on ESG messaging and social-environmental outcomes (Koch, 2025; Hartwig, 2024). Strong ESG credentials enable firms to draw sustainable investments because ESG factors have become important factors in financial decision-making, according to Beckert & Koch (2025).

Social platforms have become essential for ESG communication because companies can use them to connect with stakeholders, deliver updates, and address concerns; interactive ESG content on these platforms enhances brand support and organizational responsibility (Sung, Tao, & Lee, 2025). The failure of influencer partnerships to match corporate ESG principles creates enduring risks of misinformation, which frequently results in stakeholder backlash, according to Zhang, Xu, and Chen (2024). ESG communication influences internal stakeholders through effective messaging, which improves employee commitment and business partnership commitment (Theron, Cant, & Wiid, 2024).

The perception of ESG initiatives remains uncertain because these programs seem superficial or do not match company policies, particularly in terms of diversity and inclusion (Moyeen & Mehjabeen, 2024). The rising focus on ESG reporting creates obstacles for companies to connect with multiple stakeholders, including emerging market participants, because ESG messages are viewed as deceptive public relations instead of authentic sustainability promises (Badr, Ibrahim, & Hussainey, 2024; Dadhich & Saini, 2024). The solution lies in businesses needing to prove their tangible ESG advancement with sustained sustainability messaging since this creates enduring trust from their stakeholders.

ESG commitments now form the core element of sustainability narratives that direct business interactions with stakeholders who participate in shaping corporate strategy development and stakeholder perception (Ahmaro, Aljebrini, & Dogruyol, 2025). ESG discourse puts continuous emphasis on transparency and trust because stakeholders need to verify ESG information in order to understand corporate sustainability initiatives effectively, and data-driven transparency enhances stakeholder confidence (McCall, 2024; Junaedi, 2024).

Through social media, companies can now spread information quickly while molding public discussions about ESG topics, but such practices create potential reputational hazards when corporate ESG statements do not match actual operational results (Jayadatta, 2023; Zhang, Xu, & Chen, 2024). The discussion about ESG relies heavily on ethical standards and corporate responsibility because stakeholders push for standardized reporting to maintain ethical conduct while impact investors evaluate corporate legitimacy through ESG dialogue (Yunus & Nanda, 2024; Lehner & Harrer, 2019).

Employee and social activist groups now recognize diversity equity and inclusion (DEI) as a vital ESG commitment component because they want ESG strategies to contain DEI principles to build inclusive workplace environments (Amanifar & Rahat, 2024). Stakeholders form their opinions about ESG commitments based on evolving regulatory frameworks as companies modify their strategies to comply with changing standards, according to Nielsen & Villadsen, 2023, and Mbhalati and Masehela, 2024. Businesses encounter substantial difficulties from greenwashing when their sustainability promises do not match real operations, which leads stakeholders to distrust them. This problem shows how important it is for companies to showcase ESG performance through tangible verified actions to gain public confidence (Crosby, 2024).

ESG information disclosure has become mandatory for companies through regulation, but organizations face difficulties stemming from inconsistent ESG standards and changing rules, as well as the challenges of text analysis when producing ESG reports (Suta et al., 2025). Organizations face various regulatory requirements that include GRI reporting TCF, D guidelines, and ESRS standards, which cause ESG disclosure inconsistencies (Amanifar & Rahat, 2024). Businesses within the Central and Eastern European region experience difficulties meeting ESRS standards because text analytics reported numerous shortcomings in sustainability disclosure, according to Suta et al. (2025). ESG reports face two main compliance challenges: a complicated language that creates barriers to understanding between stakeholders, and some sustainability statements are vague enough to risk being classified as greenwashing (Parfentieva, 2024).

The evaluation of ESG disclosure clarity heavily depends on text analysis because many companies do not supply measurable indicators to support their sustainability promises (Amanifar & Rahat, 2024). Sentiment analysis enables ESG disclosure assessment by identifying optimistic statements that attract regulatory attention and neutral language in mandatory reports that promote better compliance acceptance (Suta et al., 2025). ESG data verification represents a key problem because many reports lack either independent audits or external verification checks, which makes text analysis powered by AI essential to finding inconsistent findings while enhancing report reliability (Amanifar & Rahat, 2024).

Companies solve ESG compliance problems by adopting automated text analysis and natural language processing tools, enabling them to monitor compliance and create better readings of ESG material and regulatory-aligned messaging, according to Parfentieva (2024). The accuracy of ESG claims is enhanced by the application of AI-driven data validation technology, which guarantees that sustainable corporate reports meet current compliance requirements (Suta et al., 2025).

The high demand from stakeholders for transparent ESG information has driven companies to use AI with big data analytics and blockchain, as well as digital platforms to improve their sustainability report transparency, according to Magli and Amaduzzi (2025). AI and big data analytics systems help improve ESG reporting through instant data collection and emotional analysis and sustainability report inconsistency detection, which results in better disclosure reliability and consistency (Li & Zhang, 2024; Faccia & Petratos, 2024). Blockchain technology represents a crucial instrument that verifies ESG data by establishing immovable records while stopping data tampering to enhance business reputation through "GPT4ESG" and its related AI-based blockchain model (Makridis, Beck, & Louca, 2025; Lin et al., 2024). Through digital communication of ESG metrics, stakeholders now engage with companies through corporate sites and social media platforms as well as interactive dashboards,

which improves regulatory compliance and ensures transparency, according to Carabelli (2025) and Dathe (2024). AI and automated systems for ESG monitoring help businesses monitor regulatory changes while ensuring global reporting standards, thus reducing compliance risks and enhancing transparency (Rajput, Sharma, & Garg, 2024; Chen, 2024). Green innovation represents a major technological advancement in ESG disclosures because it allows companies to use digitalization to incorporate green technologies into their ESG strategies, which strengthens their environmental commitments while drawing investors who invest in sustainable and social responsibility (Ijomah et al., 2024; Nodhiva et al., 2024). ESG data integrity will continue to benefit from advancing technological solutions as regulatory developments occur, thus creating better compliance and sustainable business practices.

Corporates adopt Emerging technologies to improve Environmental Social Governance disclosure through transparency enhancements com, appliance management, and stakeholder relationships by leveraging Artificial intelligence and Big data analytics together with Digital platforms to gain better ESG reporting, er greenwashing exposure, and build investor trust (Veloso, 2024). The analysis of ESG disclosures through AI natural language processing (NLP) enables companies to achieve regulatory compliance, and the AI sentiment analysis allows them to monitor public discussions to adjust their ESG communication properly (Veloso, 2024). AI scoring systems help investors implement data-based investments via the examination of financial data and corporate reports and social media interaction, which diminishes subjectivity in sustainability assessment procedures. The secure blockchain database preserves unalterable sustainability records, which allows for the real-time review of supply chains, carbon tracking, and ethical procurement practices to protect against sustainability fraud (Veloso, 2024). The analysis of large data volumes helps businesses monitor ESG metrics in real time and predict sustainability risks through the presentation of performance data (Veloso, 2024). The digitalization of platforms through sustainability dashboards and investor communication portals enables demonstrative ESG stakeholder engagement because companies present ESG information honestly and enhance public and investor empowerment through interactive sustainability metrics (Veloso, 2024). The tightening of ESG disclosure standards by regulatory authorities depends on technology that uses AI fact-checkers to expose ESG report inconsistencies while blockchain keeps data from being manipulated (Veloso, 2024). Businesses benefit from automated compliance tools together with ESG software, which aids in standard alignment and risk reduction for accurate sustainability reporting (Veloso, 2024). Efforts to develop ESG compliance software together with ESRS and TCFD standards improve decision-making transparency and provide better-reporting integrity to fulfill investor demands regarding sustainable business operations.

The evaluation of Environmental Social Governance (ESG) performance necessitates numerical objective assessment points from carbon emissions to diversity ratios along with governance scores combined with interpretive textual data about corporate sustainability declarations (Sun & Long, 2024). The evaluation of ESG narratives and stakeholder perceptions, together with transparency levels, is done through Natural language processing (NLP) sen, timing analysis, and discourse analysis tools. The analysis of emotional content in corporate ESG performance relies on automated text analysis of sustainability reports and investor briefings, and social media and news ESG-related passages to spot ESG communication inconsistencies versus public reactions and identify greenwashing risks (Sun & Long, 2024).

Studies show that transparent ESG information disclosure manifests as simple text with straightforward language, which leads to clear accountability, yet difficult language tends to hide weak sustainability results (Sun & Long, 2024). The analysis of ESG textual information allows investors to identify main sustainability topics like carbon neutrality and diversity and inclusion together with governance integrity, which helps differentiate meaningful ESG promises from empty gestures, but authentic sustainability engagement demonstrates companies using specific targets and progress metrics (Sun & Long, 2024). The analysis of stakeholder discourse provides qualitative information through monitoring social media inv, ester calls emp, employee reviews, and regulatory reports, which enables investors and analysts to evaluate sustainability risks and regulatory scrutiny (Sun & Long, 2024). The use of different ESG-related words throughout reports indicates deep sustainability commitment since detailed descriptions accompany extensive terminology usage (Sun & Long, 2024). The assessment of corporate ESG performance receives additional support through advanced NLP techniques because these methods track relevant ESG narrative patterns and extract meaningful keywords to produce more accurate sustainability assessments.

METHODOLOGY

Research Design

This study employs a qualitative research design to explore the role of Environmental, Social, and Governance (ESG) metrics in shaping corporate sustainability strategies. Given the complexity and multidimensional nature of ESG metrics, a qualitative approach allows for an in-depth examination of existing literature, corporate disclosures, and regulatory frameworks. The study focuses on thematic analysis using topic modeling to uncover latent themes within ESG discourse, providing structured insights into how these metrics guide corporate decision-making.

Research Approach

A qualitative, exploratory approach is adopted to analyze textual data from ESG reports, regulatory documents, and academic literature. This approach enables a comprehensive understanding of ESG frameworks, stakeholder narratives, and regulatory challenges. By leveraging natural language processing (NLP) techniques, specifically Latent Dirichlet Allocation (LDA), the study systematically extracts and categorizes key themes in ESG-related discourse. Correspondence Analysis (CA) is further employed to visualize term relationships, reinforcing the robustness of topic modeling findings.

Research Philosophy

The research is grounded in an interpretive philosophy, emphasizing the subjective and evolving nature of ESG discourse. Interpretivism allows for a nuanced analysis of corporate sustainability strategies by recognizing the contextual influences of regulatory developments, investor expectations, and corporate governance practices. The study also integrates aspects of constructivism, acknowledging that ESG narratives are shaped by stakeholder interactions, regulatory shifts, and evolving sustainability frameworks.

Data Collection

The study relies on secondary data sources, including ESG reports from corporations across various industries, Regulatory guidelines and sustainability disclosure frameworks (e.g., GRI, TCFD, CSRD, ISSB), Academic literature on ESG integration, corporate governance, and sustainability metrics, Industry reports and white papers analyzing ESG trends and regulatory developments. These textual datasets provide a rich source of qualitative information, enabling the identification of key themes and patterns in ESG-related decision-making. Text mining techniques are applied to extract relevant ESG terms, corporate commitments, and sustainability performance indicators.

Data Analysis Methods

The study employs a combination of Latent Dirichlet Allocation (LDA) and Correspondence Analysis (CA) to analyze the collected data:

Latent Dirichlet Allocation (LDA): LDA is used to uncover latent topics within ESG reports and sustainability literature. It enables the identification of recurring themes, such as governance integrity, environmental responsibility, and social impact. Dynamic topic modeling allows for the exploration of evolving ESG discourse, particularly trends projected for 2025 and beyond.

Correspondence Analysis (CA): CA provides a visual representation of term associations within ESG discourse. It highlights the relationships between key ESG terms, differentiating core sustainability themes from emerging topics. The method enhances topic modeling results by validating clusters of ESG-related terms and identifying gaps or synergies in corporate sustainability strategies. By integrating LDA and CA, the study ensures a comprehensive and systematic examination of ESG narratives, enhancing the understanding of how corporations leverage ESG metrics for sustainability-driven decision-making.

RESULT

Topic modelling using LDA



Fig 1: Topic modelling

The interpretation of topic modeling data shows excellent compatibility with the research topic while demonstrating different ways ESG metrics affect corporate sustainability strategies. The future sustainability trends center on transparency development of leadership and diversity because they demonstrate how ESG metrics direct business adaptation toward 2025 and beyond. The role of ESG in promoting corporate integrity becomes stronger through corporate governance and accountability systems that emphasize transparency and risk reduction related to greenwashing. ESG demonstrates its importance through social performance measurement and risk management, together with innovation development. Companies achieve better investor relationships by sharing ESG information because ESG disclosures guide the way both investors view businesses and corporations make their strategic decisions.

The section focuses on corporate environmental initiatives while investigating decision-making frameworks through which ESG drives enhanced credibility. ESG reporting, along with standardized procedures and carbon footprint assessment tools, strives to achieve precise measurement of sustainability as well as direct stakeholder collaboration and carbon footprint assessment precision for maintaining sustainability assessment consistency. The implementation of Strategic ESG initiatives and internal performance tracking systems enable accessibility to organizational sustainability programs and internal performance measurement across corporate operations. This research field studies investor actions after structured ESG disclosure release as well as their effects on business financial outcomes. The necessity of ESG in compliance becomes evident through regulatory compliance and climate risk because it shows how ESG regulations and climate-related disclosures interact with policy frameworks. Financial reporting and ESG risk analysis show how ESG elements get incorporated into financial documentation while improving their importance in financial evaluations. The research's practical and forward-looking evaluation of ESG metrics for sustainability strategies receives support from the complete set of topics, which cover governance, social impact, environmental performance, reporting, investor engagement, and regulatory compliance.



Research investigators use Correspondence Analysis (CA) as a statistical tool to create visual representations of categorical variable relationships, which reveal the associations among ESG-related terms throughout the research framework. The X-axis dimension holds 33.16% of the total variance, followed by the Y-axis at 22.61%, and color coding at 12.35%, which explains 68.12% of the total variability. The ESG discourse shows strong connections between its main concepts, "governance," "environmental," "compliance," and "investors," since these terms appear in the central area of the analysis. The peripheral terms "metrics," "2025," "risk," and "commitments" represent specialized aspects within the data set. The central ESG concepts group together in Cluster 4, while other clusters separate reporting from strategy and stakeholder interaction and regulatory requirements. The research indicates that practical ESG aspects used for reporting purposes appear on the right side X-axis, whereas strategic themes exist on the left side X-axis. Similarly, data-driven analysis resides at the top Y-axis, while implementation-focused engagement lies at the bottom Y-axis. The structured distribution system demonstrates that the study effectively reveals how ESG metrics affect sustainability strategy development by focusing on governance, risk, stakeholder influence, reporting, and strategic decision-making.

DISCUSSION

The research utilized LDA as its primary method because it delivers essential capabilities for finding hidden patterns, framework planning, and future trend tracking. The ten identified themes, including governance and regulatory compliance, served as a system to explore ESG metrics. The dynamic nature of LDA allowed researchers to visualize changes in ESG discourse because it supported tracking future trends with a specific focus on 2025 projections. The selected approach delivered optimal results for exploring ESG metrics as well as stakeholder narratives regarding regulatory challenges and framework development. The analysis tool Correspondence Analysis (CA) acted alongside LDA to show relationships between terms, identify specific versus fundamental themes, and support the LDA findings. The cluster patterns of terms "governance," "risk," and "investors" that came to light through CA analysis enabled researchers to determine if ESG strategies showed overlapping points or distinct strategic areas. The approach helped detect emerging subjects together with underprioritized topics within ESG dialogues, particularly "metrics" and "2025."

The research utilized LDA and CA in combination to provide a comprehensive understanding of the data. LDA established thematic pillars through its usage, but CA functioned to analyze metric interactions with stakeholders and regulatory elements and improve the framework development process. The analysis conducted by LDA uncovered data-driven analysis as a technological innovation topic, while CA demonstrated that AI combined with blockchain and carbon tracking technologies relate to ESG metrics. Through the application of CA, the regulatory themes identified by LDA received additional definitions, which revealed that compliance and greenwashing existed as opposing forces. The proposed research agenda involves using dynamic LDA for monitoring ESG theme evolution, implementing CA for stakeholder investigations, and conducting machine learning assessments, which include sentiment analysis and network evaluation. The core method used for this research was LDA because it matched the project goals, but the CA addition allowed further examination of term connections and verification of LDA results. The combination of these methods created an extensive adaptable system to evaluate ESG metrics effectively.

The analysis of Correspondence Analysis (CA) delivered different results to LDA since it examined term relationships instead of discovering hidden themes. LDA organized ESG metrics into various topics, but CA created visual clusters to show term interrelationships for analysis of ESG strategic gaps and synergies. The analysis performed by LDA concentrated on ESG discourse classification, yet CA used its method to showcase different types of topics that exposed new emerging concepts such as "metrics" and "2025." The team at CA used topic cluster cross-checks to confirm the LDA analysis results and thus strengthen the thematic validity. The LDA framework development and thematic evolution assessment functioned better than the CA method, which delivered superior analysis for refining regulatory and stakeholder requirements through sequential term associations and context-based relationships.

CONCLUSION

The research investigates how environmental social governance metrics impact corporate sustainability methods through qualitative analysis, which uses latent Dirichlet Allocation (LDA) and correspondence analysis (CA).

Company success depends heavily on ESG metrics because they drive corporate governance along with regulatory compliance, stakeholder relationships, and financial procedures. Through extensive ESG disclosure analysis, sustainability report evaluation, and thematic mapping research, it aims to fulfill its four objectives about ESG metrics alongside stakeholder narratives and regulatory challenges alongside technological innovations. According to the discussion, ESG transparency, governance integrity, investor influence, and regulatory compliance have been shown to guide the creation of corporate sustainability strategies.

Managerial Implications

Through this research, corporate decision-makers gain important insights that stress the necessity of adopting an organized approach to ESG implementation. Businesses need to embed ESG metrics across their prolonged corporate planning to guarantee sustainability operations synchronize with market trends, investor demands, and legal needs. ESG reporting that uses standards and clear transparency helps businesses build trustworthiness, reduce greenwashing risks, and create investor trust. The integration of artificial intelligence with blockchain for ESG disclosures extends information reliability while eliminating regulatory_floor_ issues and reinforcing businesses' sustainability performance.

Research Implications

This study contributes information about corporate sustainability to academic research about ESG integration. By using LDA and CA to analyze ESG discourse, researchers can confirm that analytical methods used for text research successfully reveal underlying themes and validate classifying concepts. The research creates an analytic linkage between human-based ESG stories and systematic thematic examination to establish a research method for upcoming ESG discourse investigations. Scientists should adopt methods from machine learning to analyze stakeholder opinions and regulatory progress through sentiment evaluation and network examination systems.

Societal Implications

This research demonstrates how ESG integration affects society through business strategies. Companies that prioritize ESG principles work to sustain the environment while promoting fair social practices and ethical leadership, thus creating beneficial transformations in society. By increasing ESG disclosure transparency, consumers and investors receive better information to choose businesses that practice accountability and responsible business operations. According to the research, standards from regulatory bodies contribute to ESG reporting consistency, which makes it possible to achieve quantifiable positive societal outcomes from corporate sustainability promises.

Future Directions

The next phase of ESG reporting research should inspect how the new CSRD and ISSB framework standards influence the current reporting practices. Dynamic topic modeling tracks the evolution of ESG discourse over time, which helps organizations understand their sustainability strategy adjustments in response to regulatory updates. The combination of sentiment analysis and stakeholder network analysis produces a better understanding of both investor sentiment and ESG narrative contents. Future investigation should explore how ESG metrics integrate with emerging sustainable reporting technology, including artificial intelligence for sustainability analytics and blockchain-powered ESG verification platforms, to ensure greater firm accountability standards.

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