Tax transparency and sustainability: PwC Global Survey 2024 3/5/25

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Tax transparency is becoming increasingly important in the context of corporate sustainability. Investors, consumers and other stakeholders are paying increasing attention to how companies manage their tax liabilities and reflected in sustainability reports. We previously informed our readers about PwC's 2023 study "Tax Transparency and Sustainability Reporting in 2023" in this field. This year, PwC published a new study covering the sustainability review practices of over 850 companies in 21 countries. This article summarises the key findings of PwC's 2024 global study "Global Tax Transparency and Tax Sustainability Reporting Study".

Methodology of the study

The study analysed companies' publicly available data for fiscal year 2023, including annual reports, sustainability reports, tax strategy papers and website information. The study used the PwC Global Tax Transparency Framework, which includes 37 criteria grouped into four categories:

- Tax access,
- Tax management and risk management,
- Tax "numbers" and performance, and
- Total tax contribution and wider tax impact.

Thus, publicly available information (in particular with a focus on sustainability reviews) was analysed through the prism of 37 criteria in four categories.

Key findings

- Only a small number of companies (2.7%) make public full details of tax payments in each country (CbCR). The CbCR requirements and the pCbCR Regulation can generally be consulted here and here.
- The rules for reporting transparency of mandatory taxes vary from region to region. For example, the EU pCbCR Regulation and the UK's requirement for a public tax strategy have had a significant impact on reporting practices. Thus, most tax information is disclosed in those regions (countries) where certain types of reporting are mandatory. In contrast, where requirements are not mandatory, companies report significantly less tax in their sustainability reports (as well as on public sites).
- Only 26.6% of companies report a total tax contribution (TTC) - an indicator that gives a comprehensive view of the company's taxes.
- Companies are starting to prepare for the implementation of the second pillar of the OECD, which provides for a global minimum tax, and this will create new reporting obligations.
- Demand for detailed tax data is increasing, prompting companies to invest in tax management and strengthen control systems.

Regional differences

The study revealed significant regional differences:

- Europe: High level of compliance with EU regulations, with Spain and Germany excelling in terms of tax transparency. The UK is a leader in tax integration sustainability reports.
- America: There is a visible voluntary adoption of the GRI 207 framework (sustainability reporting standard we talked about here), with Brazil demonstrating significant progress following the introduction of new resolutions by the Securities and Exchange Commission of Brazil.
- Asia: Japan and India are showcasing new practices in tax transparency, fueled by expanded multinational operations and expectations from stakeholders.
- Africa: South Africa is demonstrating a progressive practice of voluntary disclosure influenced by the Johannesburg stock exchange guidelines, while in Nigeria and Kenya, tax transparency frameworks are in the process of development for now.

Conclusions

The results of the PwC study indicate that companies around the world need to adopt transparent and comprehensive tax reporting practices that meet increasing stakeholder demands and anticipated regulatory changes. Companies that want to strengthen their reputation and promote sustainable growth need to pay attention to tax transparency as an integral part of reporting. We encourage readers to view the full version of the study via a link in the introduction to this article.