



European Issuers Report

Key Findings from
European Listed
Companies on the
Implementation of
the Corporate
Sustainability
Reporting Directive
(CSRD)



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Foreword by EuropeanIssuers' Chairman



Luc Vansteenkiste
Chairman, EuropeanIssuers

It is with great pride in EuropeanIssuers' ongoing commitment to sustainability that I present this report, which captures the experiences of 144 listed undertakings across Europe as they navigate the implementation of the Corporate Sustainability Reporting Directive (CSRD). This survey reflects EuropeanIssuers' dedication to supporting companies through this transformative process by providing a platform to voice their challenges and successes.

By fostering dialogue and collaboration among stakeholders, EuropeanIssuers plays a crucial role in advancing sustainability reporting and ensuring that companies are equipped to meet the demands of this complex regulatory framework.

The CSRD represents a transformative step in advancing sustainability reporting, but its implementation has not been without hurdles. Companies are struggling with delayed transposition in many Member States, creating legal uncertainties that complicate compliance efforts. The intricacies of double materiality assessments and value chain reporting demand extensive data collection and methodological clarity, which remain works in progress. Despite these challenges, the findings demonstrate the significant investments companies are making to fulfil the CSRD's requirements. Their commitment underscores the importance of this directive in driving transparency, accountability, and sustainability across Europe. This report also emphasises the pressing need for greater collaboration between regulators, auditors, and companies, as well as the provision of streamlined guidance and practical tools to facilitate effective implementation.

The journey toward fully realising the potential of the CSRD is one of both complexity and opportunity. I hope this report serves not only to highlight areas requiring attention but also to inspire continued progress. The dedication shown by companies thus far is a strong foundation for achieving our shared goal: a more sustainable and transparent future for Europe.



Methodology

The Corporate Sustainability Reporting Directive (CSRD), part of the European Green Deal, requires companies within its scope to report standardised information necessary to understand the undertaking's impacts on sustainability matters, and information necessary to understand how sustainability matters affect the undertaking's development, performance, and position. Published in the Official Journal of the European Union on 16 December 2022, the Directive came into force on 5 January 2023 and will have to be applied according to a phased-in timetable, starting with public-interest companies with more than 500 employees for financial years starting on, or after 1 January 2024.

In response, EuropeanIssuers created a membership-wide survey to gather insights from European preparers regarding their feedback on the implementation of the CSRD. This survey was sent in July 2024 and terminated in September 2024, to coincide strategically with the deadline for Member States to transpose the CSRD into national legislation by 6 July 2024, and six months ahead of the publication deadline for the first sustainability reports.

The survey gathered input from **144 respondents** across various sectors and Member States, reflecting a broad spectrum of experiences and approaches to CSRD compliance. Spanning 57 questions, across five macro topics,—technical transposition, implementation, materiality, value chain, and assurance—the survey offers a detailed account of the challenges and opportunities companies face. The findings reveal both progress and obstacles, from organisational restructuring and resource allocation to compliance with the Directive's technical requirements. This report synthesises the survey data to provide insights into the practical implications of the CSRD and its potential impact on corporate reporting practices in the European Union.

To ensure our survey accurately reflected the views of companies within our umbrella association, EuropeanIssuers distributed the survey only to its member associations and direct corporate members, Table 1 shows the breakdown of respondents.

Representation	Percentage
Listed Companies	87%
Associations of listed companies	5%
Financial Institutions in scope	8%

Table 1: Breakdown of Participants' Representation



As a result, the findings represent the Member States included in our membership base. The countries with the highest representation in the survey are Belgium, France, and Greece. A significant number of responses also came from the Netherlands, Switzerland, Germany, and Spain. (As shown by Figure 2).

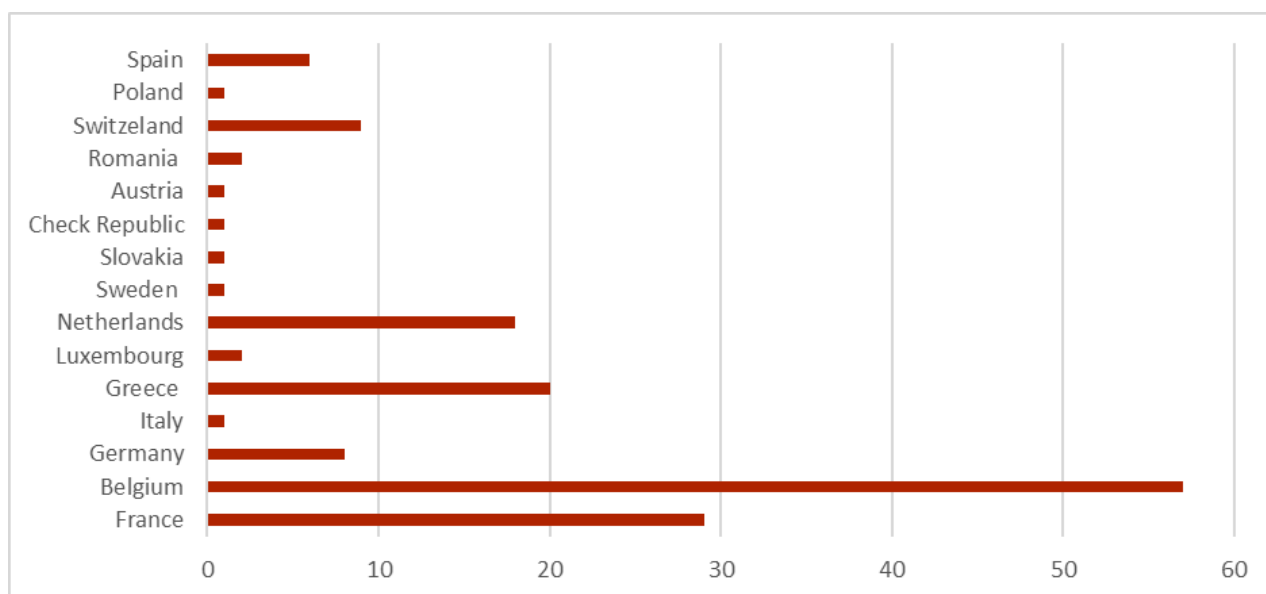


Figure 2: Countries Represented per Survey Respondent, absolute numbers

Disclaimer

The insights presented in this Report offer an overall view of initial implementation practices observed among survey participants. These findings do not represent the practices of any single company. The specific approaches adopted by individual companies vary according to their level of maturity and progress in reporting, as well as the extent to which sustainability reporting is embedded into their strategies; rather than being treated solely as a compliance exercise.

The inclusion of any observed practice in this report should not be interpreted as an endorsement by EuropeanIssuers.

The Report reflects preliminary practices during a period when undertakings are preparing for their initial ESRS disclosures. It is recognised that these practices will continue to evolve in the future.





Executive Summary

This report presents the key findings from a survey conducted by European Issuers, capturing the experiences of 144 listed companies across Europe in implementing the CSRD. The results reveal significant challenges in meeting the Directive's requirements, with delayed transposition in many Member States causing legal uncertainty and compliance difficulties. Companies highlighted the complexity of double materiality assessments and value chain reporting, both of which demand extensive data collection, due to its inherent granularity, and methodological uncertainty.

The assurance of sustainability information emerges as a critical yet unresolved area, with significant variations in national practices due to the absence of harmonised European standards. Preparers reported escalating assurance costs and resource constraints, furthermore, gold-plating practices and overlaps with other legislative frameworks, such as the Corporate Sustainability Due Diligence Directive (CS3D), compound the challenges companies face.

Overall, the findings demonstrate the considerable efforts and investments companies are making to address the CSRD's requirements, despite uncertainties and inconsistencies. The report underscores the need for continued efforts to simplify compliance, harmonise practices, and foster open dialogue among stakeholders. By doing so, the EU could build on the progress already made, ensuring that the CSRD will drive meaningful change, ensure competitiveness for EU companies, and lead to value creation for businesses.



Transposition in Member States

As of November 2024, only 15 of the 27 EU Member States (MS) have successfully transposed the CSRD into national law.

Member States missing the 6 July 2024 deadline for transposition include Austria, Belgium, Cyprus, Estonia, Germany, Greece, Luxembourg, Malta, Netherlands, Poland, Portugal and Spain. Consequently, in late September 2024, the European Commission (EC) issued formal notices to these MSs, citing their failure to notify the transposition of various legislative pieces into national law.

The EC specifically underlined the missed 6 July 2024 transposition deadline of the CSRD. The institution reiterated that this undermines the harmonising objective of EU-wide sustainability reporting, a core aim of the CSRD. Through the evidence of the survey, this report will show how delays and inconsistencies in transposition also directly affect companies, creating uncertainty around their compliance obligations under the Directive.

Additionally, the survey also examined the optional provisions adopted by Member States during the transposition process, revealing diverse national approaches.

For instance, in France, the scope and thresholds for in-scope companies align with EU standards, while certain confidential information remains protected, and penalties are imposed for non-compliance with specific reporting elements.

Similarly, Belgium has integrated opt-ins related to waste management and carbon emissions. In contrast, the Netherlands has implemented specific assurance provisions but deferred other elements pending further guidance. Switzerland, though not an EU Member State, is voluntarily considering alignment with the CSRD.



Gold-plating

Gold-plating of European legislation refers to the practice where Member States modify the wording or add more stringent requirements to EU Directives.

In the case of the CSRD, European Issuers drew its focus towards such a phenomenon, which risks adding additional burdens, and legal and reputational risks for corporates in certain EU countries. The survey asked its participants to provide their experience or evidence of gold-plating of the CSRD in its transposition into national legislation.

In line with this, approximately 20% of respondents noted experiences of overregulation. While the rest of the responses pointed out that either gold-plating was not experienced or that the company was not aware of any potential issues.

Furthermore, some companies detailed their choice by describing the instances of gold-plating they encountered. On a general note, respondents mentioned a series of requirements that would add up to the corpus mandated by the CSRD in each Member State.

Namely, country-specific requirements would impose mandatory General Meeting votes on sustainability statements together with further procedural tasks to be undertaken for approval. Moreover, certain responses underscored temporal misalignment between EU legal acts on the matter, overlaps, and a perception of overreporting.

Specifically, the Corporate Sustainability Due Diligence Directive (CS3D) was referred to multiple times including requirements and notions that are present in the CSRD. In addition to this, enterprises flagged a lack of alignment between the CSRD, national environmental legislation, and regional or local requirements.

Certain organisations showed their concerns regarding the short timeline for transposition and implementation, as well as the lack of procedures or instructions on the auditor and evaluator nomination. In some instances, enterprises underlined the issue of the involvement of employee representatives and the degree of depth of such engagement.



Gold-plating

Surveyed entities when asked: “Are you aware of any inconsistency between the CSRD and any other legislation?” underscored ambiguities in the definition and calculation criteria for some CSRD requirements – such as the durability of products and the pay gap. In France, for instance, inconsistencies are mentioned concerning the Duty of Care obligations in the French legal system. Further answers pointed at inconsistencies with the double materiality concept enclosed and the CS3D.

The survey addressed further issues related to transposition in their MS and in general terms, the 72 respondents to this question were cautious in flagging further transposition issues and related their answer to the fact that the CSRD had not been transposed yet. Respondents convened that the timing of transposition and delays in Member States were posing a serious issue for the preparation of implementation due to greater uncertainties.

In some Member States, attention was drawn to the role of auditors, the risks of burdensome demands from their side, and the cost of corporate charges demanded by the latter. Additionally, mentions were made concerning assurance and the related uncertainties of who will be entitled to provide it.

“One key challenge lies in the delay of the transposition itself and the uncertainty it brings. Moreover, the draft compels companies to actively involve employee representatives in the entire ESRS reporting process, shifting from mere 'informing' to meaningful 'engagement'.

Large listed company responding to the survey



Implementation at Company Level

Organisational Resources Employed by Companies

The implementation of the CSRD has prompted companies to reassess and reallocate internal resources to meet its requirements. To gauge properly the wider picture of CSRD Implementation at the company level, EuropeanIssuers' survey investigated how respondents are structuring their organisational frameworks to address the CSRD.

The evidence from the respondents indicates that leadership for CSRD implementation varies significantly among respondents, with finance departments taking the lead in 25% of cases, reflecting their expertise in financial reporting. Other departments, including sustainability-focused teams, compliance, and legal, also play critical roles, with some companies adopting a collaborative model to oversee compliance, as shown in Figure 3 below.

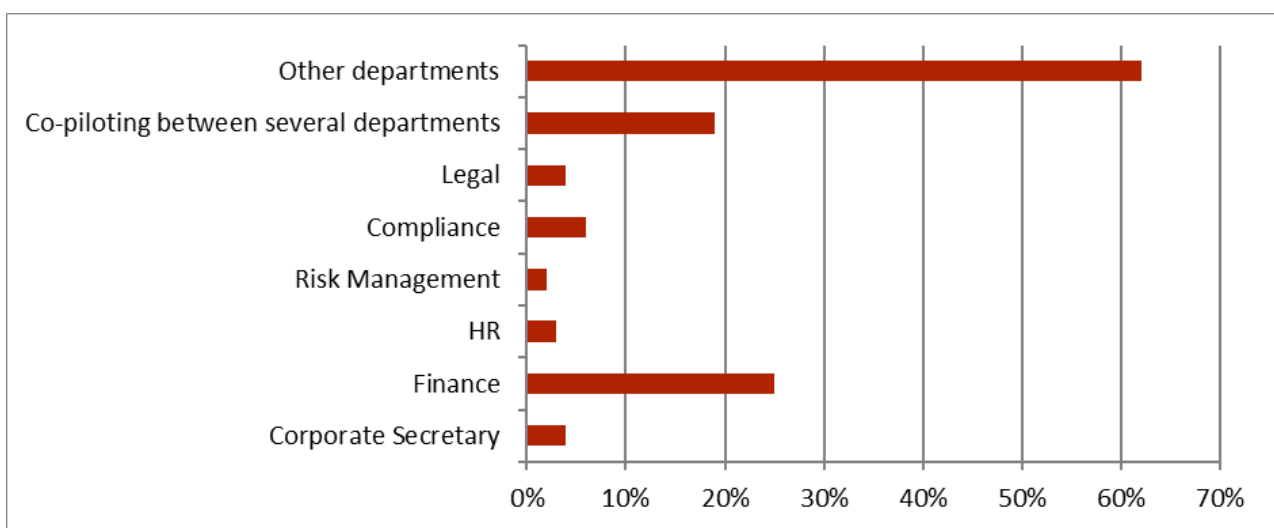


Figure 2: Visualisations of the answers to "Which department is leading the implementation of the CSRD in your organisation?"



Organisational Resources Employed by Companies

On another note, responses indicate that gap analyses have been a common preparatory measure, conducted by 55% of respondents to identify readiness levels and address implementation gaps. These analyses reveal an average completion rate of 56%, although many companies acknowledge ongoing difficulties in addressing value chain gaps, particularly in emerging environmental topics such as biodiversity and pollution. Please note that these figures reflect the survey's timing and may have increased since.

The majority of respondents who have performed a gap analysis identified actionable gaps needing further attention, with 56% of the respondents planning targeted projects to align with the European Sustainability Reporting Standards (ESRS). Specifically, 56% of respondents plan initiatives for environmental standards, 42% for social standards, and 27% for governance standards. Notably, 25% reported needing projects across all three areas, while only 11% of the participants reported no additional projects were necessary.

The complexity of the CSRD and ESRS requirements can be exemplified by the fact that a considerable number of respondents (57%) enlisted external support for their gap analyses, using a variety of guidance materials to aid in this process.



“The main problem was the huge complexity of the methodology to get the final double materiality assessment”

Considerations from an issuer responding to the survey



Organisational Resources Employed by Companies

Among the 44% using guidance resources, respondents commonly cited European Financial Reporting Advisory Group (EFRAG) documentation (23%) and official EC documentation (4%).

Others utilised consultancy firms or platforms, including Earth Academy, Greenomy, Big4 firms, Sural, Global Reporting Initiative, Deloitte, Brightest, and KPMG (10%), while some relied on national competent authorities like ANC, AFM, and AMF (6%) or association guidance from groups like MEDEF and EPRA (1%).

Lastly, to have an appropriate picture of internal organisational resources for CSRD preparedness, EuropeanIssuers survey also investigated the budget allocations for CSRD compliance. The evidence shows varied responses across participants, with a range of investment levels. Approximately 6% of the answering respondents allocated under €100,000, 8% between €100,000 and €500,000, 5% between €500,000 and €1 million, and 6% between €1 million and €5 million. A smaller proportion, 2%, reported budgets exceeding €5 million, highlighting the significant financial commitment required for compliance.



“Huge efforts in documenting impacts, risks and opportunities. Ten-thousands of Excel cells filled with descriptions, rationales, and scoring”

Considerations from an issuer responding to the survey



Double Materiality Assessment

The introduction of double materiality under the CSRD has necessitated a fundamental shift in how companies approach sustainability reporting. This framework requires the simultaneous assessment of financial materiality—focusing on the economic impact of sustainability issues on the company—and impact materiality, which considers the company's influence on environmental, social, and governance (ESG) factors. This dual perspective represents a significant advancement in sustainability reporting, emphasising the interconnectedness of corporate operations and societal impacts.

The survey findings highlight how companies are adapting to this methodology, with environmental topics emerging as the most material issues. Climate change (ESRS E1) was identified as material by 84 respondents, followed by circular economy and resource usage (ESRS E5), pollution (ESRS E2), and biodiversity and ecosystems (ESRS E4). In the social dimension, the in-house labour force (ESRS S1) and supply chain workers (ESRS S2) were frequently prioritised, reflecting the growing emphasis on social equity in corporate operations. Governance topics, led by corporate conduct (ESRS G1), also featured prominently among respondents' material concerns.

Despite some progress, the survey responses underscored the increased complexity that preparers face in implementing double materiality assessments. Approximately 77% of the 103 respondents reported seeking external support, often relying on EFRAG guidance and consultancy firms. However, many noted that the delayed publication of guidance required revisions to their earlier work. Among the most commonly reported challenges were difficulties in defining clear thresholds, attributed to the lack of precise guidance and the broad interpretative scope of the legal text.

Similarly, some respondents flagged challenges in addressing financial impacts due to the absence of established methodologies.

Preparers also identified issues with the quantity and granularity of data required under the ESRS, with many struggling to ensure data availability. These demands often placed significant strain on internal resources, further exacerbated by auditors who introduced additional complications through varying expectations regarding the rigor and methodology of assessments.



Value Chain

Similar as the double materiality approach, the Value Chain (VC) represents an essential part of the requirements for undertakings falling under the scope of the CSRD.

The Value Chain is understood as *the full range of activities, resources, and relationships related to the undertaking's business model and the external environment in which it operates. [...] VC issues [...] include both upstream and downstream actors and their activities.*^[1]

In light of the crucial character of such requirements for companies under the scope of the CSRD, European Issuers dedicated a series of questions in its survey to the topic. Namely, the CSRD requires the reports to include material information along the VC, as Impact, Risks, and Opportunities (IROs) tend to also be present outside the undertaking's own operations. These queries were devised to gauge enterprises' actions and procedures in place when reporting VC information.

Survey responses from 92 companies reveal diverse strategies for meeting value chain reporting requirements. Some firms approach the task by mapping material issues specific to individual subsidiaries, while others adopt a uniform assessment approach for subsidiaries operating under similar business models. When asked about strategies to ensure comprehensive and accurate data collection from subsidiaries, respondents noted persistent challenges. Many companies rely on a combination of centralised platforms, third-party tools, and manual processes to gather the necessary information.

To address these complexities, respondents shared examples of initiatives designed to promote consistency and alignment between parent companies and their subsidiaries. Centralised oversight and top-down guidance were frequently cited as effective methods for ensuring that material topics align across the organisation. In cases where the parent company and subsidiaries operate in distinct sectors, subsidiary-specific materiality assessments are occasionally employed. However, many companies acknowledged that they are still in the process of developing robust frameworks or have yet to implement one.

^[1] EFRAG Implementation Guidance 2



Value Chain

The survey also investigated how companies collect data from their business relations. Responses demonstrated a range of approaches, with some firms engaging partners through ESG-focused questionnaires and regular interactions to build mutual understanding. Others have implemented automated tools and data collection platforms that contribute to monitoring key performance indicators (KPIs).

Despite these efforts, challenges related to data availability, reliability, and consistency remain prevalent. Respondents emphasised difficulties in achieving uniform data definitions across the value chain, particularly for social topics. The absence of automated systems frequently necessitates manual input, increasing compliance costs and straining resources. Overall, the quality of data obtained from business relations is often considered inferior to financial data, hence further complicating reporting efforts.

Additionally, 61 companies highlighted collaborative initiatives aimed at improving data collection and alignment across the value chain. Examples include establishing working groups, conducting training sessions, and organising targeted programs to enhance data accuracy.

The survey also explored how companies address impacts and risks specific to regions or communities in their sustainability reports. Among the 54 respondents to this question, approaches varied.

While some companies focus on client-specific impacts, others emphasise regional risks such as forced labour, child labour, habitat disruption, or water stress. Social topics, including wages and human rights, were also noted as areas of regional focus, with certain disclosures addressing these concerns globally rather than regionally.



Assurance of Sustainability Information

Key Figures

- 84% of respondents highlighted having engaged with an auditor for the assurance of a sustainability report.
- In 88% of cases, the professional auditing the financial report is also the one auditing the sustainability report.
- For 72% of companies, their Member State's competent authority has not yet provided guidelines for the auditing of sustainability information.
- In cases where guidance has been provided, 3 out of 4 respondents reported not having been involved in the drafting process.

Assurance of sustainability information, a core requirement of the CSRD, has emerged as a significant area of concern for companies.

The CSRD introduces specific requirements for the audit assurance of sustainability information. Companies subject to the directive must ensure that their sustainability disclosures undergo assurance, beginning with limited assurance to establish the credibility of reported data. Limited assurance involves moderate scrutiny, focusing on whether the disclosed information is plausible and free of material misstatements. However, over the course of 3 years of implementation, the CSRD mandates a transition to reasonable assurance, which entails a more thorough and detailed evaluation of the report's accuracy and completeness, akin to financial audit standards.

In line with this, the absence of EU-wide audit standards has created challenges for preparers and auditors. Currently, assurance processes rely on a fragmented approach, with practitioners adhering to interim or national standards - or guidance - that vary significantly across Member States.



Audit of Sustainability Information

To address this gap, the Committee of European Auditing Oversight Bodies (CEAOB) has developed preliminary guidance to support assurance providers and preparers. While this guidance offers valuable direction, it is not yet a fully harmonised standard, leaving room for variation in implementation and interpretation across jurisdictions and companies.

Examples from Member States underscore the diversity of approaches. In Belgium, ISAE 3000 is used temporarily until the ISSA 5000 standard is finalised, while in France, statutory auditors and accredited providers are tasked with assurance. In the Netherlands, assurance frameworks align with ISSA 5000, though they are subject to local adaptations, and Spain is similarly adopting phased assurance practices.

Further, evidence shows concerns among preparers that the development of precise guidelines at the Member State level could complicate matters. Potentially leading to a professional standard rather than mere guidelines. This would be counterproductive, as limited resources within CSR departments would then be diverted to assist auditors instead of focusing on actionable implementations.

Currently, our data indicates how many preparers also face uncertainty regarding the total number of hours auditors will require for sustainability reporting, as this remains under development and heavily depends on the specific IROs and material data points involved. Estimates from our respondents suggest that audit engagements could range from 100 to 8,000 hours, equating to as much as 950 days of work. In addition, the data collected indicates that the cost implications of these requirements are a significant concern for many undertakings.



Assurance of Sustainability Information

In addition, the data collected indicates that the cost implications of these requirements are a significant concern for many undertakings. Auditor fees for sustainability assurance are projected to rise substantially, with estimates ranging from €80/hour for junior staff to €200/hour for senior staff. Companies anticipate that the total costs of assurance could increase by three to six times compared to prior sustainability reporting exercises, driven by the expanded scope and depth of CSRD-compliant audits.

In order to tackle these challenges, preparers report ongoing efforts to align their practices with auditor expectations. Dry runs, internal reviews, and phased adoption of assurance coverage appear as common preparatory steps, with many companies aiming for full compliance by 2025. However, challenges persist, particularly regarding resource constraints and auditor expectations, which often exceed the guidance provided by consulting firms. The survey findings also underscore the urgent need for harmonised assurance standards and increased collaboration among companies, auditors, and regulators to streamline the assurance process and ensure its effectiveness in advancing the directive's objectives.



Conclusion

The findings of the EuropeanIssuers survey offer a comprehensive view of the challenges and developments associated with the implementation of the CSRD among European listed undertakings. While the Directive marks a significant step towards harmonised and transparent sustainability reporting, the survey highlights a range of issues affecting its implementation.

The delayed transposition of the Directive in many Member States has created uncertainties for companies attempting to align with evolving national requirements. At the organisational level, companies are grappling with the complexities of double materiality assessments, the granularity of value chain reporting, and sustainability assurance, often relying on external support due to gaps in guidance and clarity.

The integration of these new reporting obligations has necessitated significant resource allocation, with some companies expressing concerns about data quality, methodological complexity, and the cost and rigor of audit processes. Taking on a different perspective, it could be observed that despite the challenges, the findings showcase the considerable strides companies are making. Businesses across Europe are dedicating substantial resources and innovative approaches to meet the directive's requirements.

In light of these findings, it is evident that fostering collaboration between policymakers, auditors, companies and all stakeholders involved is crucial to ensure a balanced and proportionate approach that facilitates compliance while becoming a catalyst for EU businesses' value creation.

EuropeanIssuers is also ready to contribute to the discussion about the competitive simplification of sustainability reporting announced by the president of the Commission Ursula von der Leyen, requested by the European Council in its Budapest Declaration following the recommendations of the Draghi report.



List of Abbreviations

CEAOB - Committee of European Auditing Oversight Bodies
CS3D - Corporate Sustainability Due Diligence Directive
CSRD – Corporate Sustainability Reporting Directive
EC – European Commission
EFRAG - European Financial Reporting Advisory Group
ESG – Environmental, Social and Governance
ESRS – European Sustainability Reporting Standards
EU – European Union
IROs - Impact, Risks, and Opportunities
KPIs - key performance indicators
MS – Member States
VC – Value Chain

About EuropeanIssuers

EuropeanIssuers is the pan-European organisation representing the interests of publicly quoted companies across Europe to the EU institutions. Our members include both national associations and companies from all sectors in 15 European countries, covering markets worth €12.4 trillion market capitalisation with approximately 6,000 companies. We aim to ensure that EU policy creates an environment in which companies of all sizes—from emerging growth companies to the large blue-chip companies—can easily raise capital through the public markets and deliver growth over the longer term.

Published in 2024, EuropeanIssuers' Key Messages for the European Elections present key priorities and policy recommendations in a number of areas to support the EU policy makers during their mandate.

More information on our positions can be found at www.europeanissuers.eu or on EuropeanIssuers LinkedIn and X page.



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