



Strategic Responses to Mandatory Sustainability Disclosure: Adoption Drivers and Strategic Impacts of the CSRD in the EU Materials Sector

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Abstract

Title: Strategic Responses to Mandatory Sustainability Disclosure: Adoption Drivers and Strategic Impacts of the CSRD in the EU Materials Sector

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The EU has responded decisively to sustainability challenges, recently launching the Corporate Sustainability Reporting Directive (CSRD). This thesis examines the impact of such regulations on corporations, focusing on the materials sector, as it is particularly exposed to sustainability issues. The research has three main objectives: (1) to identify internal and external drivers influencing how EU-listed materials companies adopt the CSRD, (2) to analyze challenges and strategic benefits associated with its implementation, and (3) to assess how mandatory sustainability disclosure affects corporate strategy and decision-making within the broader sustainability context.

The analysis is based on institutional theory and the resource-based view, which provide a theoretical foundation for understanding external and internal influences, respectively. In addition, it is informed by recent academic literature on the effects of sustainability reporting.

Empirical findings are obtained by a qualitative analysis of first-wave companies subject to CSRD requirements. The interviews reveal the central role of institutional pressure, with regulation, investor expectations, and customer demands identified as the primary drivers. The results also point to implementation challenges, the role of geopolitical factors as influencing drivers, and perceived strategic benefits from a business perspective. While the regulation encourages deeper sustainability integration, its impact on corporate strategy remains limited. Overall, this work reveals both the opportunities and tensions associated with CSRD implementation, which companies must strategically navigate.

The research contributes to ongoing debates on mandatory sustainability reporting and provides early-stage practical and theoretical implications. Additionally, it outlines avenues for future research in the evolving field of sustainability disclosure.

Keywords: Corporate Sustainability Reporting Directive, Mandatory Sustainability Reporting, Corporate Strategy, Decision-making, Institutional theory, Resource-based view, ESG

Sumário

Título: Respostas estratégicas à divulgação obrigatória de informações sobre sustentabilidade: Impulsionadores da Adoção e Impactos Estratégicos da CSRD no Setor dos Materiais

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A UE respondeu de forma decisiva aos desafios da sustentabilidade, lançando recentemente a Diretiva de Relatórios de Sustentabilidade Corporativa (CSRD). Esta dissertação examina o impacto dessas regulamentações nas corporações, com foco no setor de materiais, particularmente exposto a questões de sustentabilidade. A pesquisa tem três objetivos principais: (1) identificar fatores internos e externos que influenciam como empresas do setor de materiais listadas na UE adotam a CSRD; (2) analisar os desafios e benefícios estratégicos associados à sua implementação; e (3) avaliar como a divulgação obrigatória de sustentabilidade afeta a estratégia corporativa e a tomada de decisão no contexto mais amplo da sustentabilidade.

A análise baseia-se na teoria institucional e na visão baseada em recursos, que oferecem fundamentos teóricos para compreender as influências externas e internas, respectivamente. Além disso, é informada por literatura acadêmica recente sobre os efeitos dos relatórios de sustentabilidade.

Os resultados empíricos são obtidos por meio de uma análise qualitativa de empresas da primeira leva sujeitas à CSRD. As entrevistas revelam o papel central da pressão institucional, destacando a regulamentação, as expectativas dos investidores e as exigências dos clientes como principais fatores. Os resultados também indicam desafios de implementação, a influência de fatores geopolíticos e benefícios estratégicos percebidos do ponto de vista empresarial. Embora a regulamentação promova maior integração da sustentabilidade, seu impacto estratégico permanece limitado.

A pesquisa contribui para os debates sobre relatórios obrigatórios e oferece implicações teóricas e práticas iniciais, além de sugerir caminhos para pesquisas futuras sobre divulgação de sustentabilidade.

Palavras-chave: Diretiva relativa aos relatórios de sustentabilidade das empresas, relatórios de sustentabilidade obrigatórios, estratégia empresarial, tomada de decisões, teoria institucional, visão baseada nos recursos, ESG

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Statement on the use of Artificial Intelligence (AI)

In the interest of transparency, I disclose the use of AI in the development of this thesis.

All ideas and arguments presented are my own. AI tools were used exclusively to improve the quality of the written text, which were originally authored by me. Specifically, AI assisted in improving phrasing and suggesting synonyms to enhance readability. Additionally, an AI-based translator was employed to formulate the Portuguese abstract. AI was not used for literature research, data analysis, or any other substantive aspect of the thesis.

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List of Abbreviations

CA	Competitive Advantage
CSDDD	Corporate Sustainability Due Dilligence Directive
CSRD	Corporate Sustainability Reporting Directive
CSR	Corporate Social Responsibility
DMA	Double Materiality Assessment
EFRAG	European Financial Reporting Advisory Group
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
GICS	Global Industry Classification Standard
GRI	Global Reporting Initiative
NFRD	Non-Financial Reporting Directive
NGO	Non-Governmental Organization
RBV	Resource-Based View
ROA	Return On Assets
ROE	Return On Equity
SFDR	Sustainable Finance Disclosure Regulation
SME	Small and Medium-sized Enterprise
VRIO	Valuable, Rare, Inimitable, and Organized

1. Introduction

As environmental and social risks continue to dominate the global risk agenda (WEF, 2025), sustainability has become a central concern for corporates across industries, shaping both operational practices and strategic priorities (De Smet et al., 2021). This growing focus is not merely a passing trend. A recent study points out that 71% of investors believe sustainability should be fundamentally integrated into a company's core strategy (PwC, 2024), recognizing sustainability as a critical factor in decision-making and strategic planning.

In the materials sector, these expectations are especially present. Resource-intensive operations, significant environmental externalities, and complex supply chains place firms under considerable pressure to adopt more sustainable practices (Azevedo et al., 2022). Companies are expected to shift towards environmentally responsible raw materials and drive innovation across industrial processes (BCG, 2025). At the same time, evolving end-user expectations, such as the demand for longer-lasting products and increased recyclability are changing production and supply chain practices (BCG, 2025).

This dual pressure from investors and consumers, alongside the global rise in sustainable investments (Morgan Stanley Institute for Sustainable Investing, 2024), has significantly increased the demand for transparent, reliable, and comparable sustainability information (Amel-Zadeh & Serafeim, 2017; Christensen et al., 2021; Cohen et al., 2015). Yet despite this request, major headwinds prevail in sustainability reporting. The absence of standardized frameworks and consistent metrics undermines comparability, credibility, and overall usefulness of disclosed information. In response, the European Union (EU) has taken a leading role in reforming the sustainability reporting landscape. The introduction of the Corporate Sustainability Reporting Directive (CSRD), effective from 2024, represents a major step towards improved transparency and data quality. This regulation marks a significant shift in regulatory expectations, mandating detailed sustainability disclosure for a wide range of companies operating within the EU.

In line with these developments, academic interest in sustainability reporting has grown in recent years. Numerous studies have investigated economic implications of ESG disclosure, assessing whether such engagement yields financial benefits and whether regulatory mandates improve data quality, transparency, or sustainability outcomes. Much of the current academic work focuses on earlier regulations or voluntary disclosure regimes. The CSRD, as a new and ambitious framework, remains narrowly covered in academic research. Hence, this thesis

introduces a new perspective by investigating how the CSRD influences strategic decision-making within companies subject to the regulation. Additionally, it explores the varying approaches firms take in implementing the directive's requirements, providing insight into the factors shaping adoption strategies.

The thesis is structured as follows: Chapter 2 presents the literature review, which outlines the theoretical foundations of the study through a review of relevant research on mandatory sustainability reporting and the introduction of two conceptual frameworks. Chapter 3 explains the methodology, including the sampling strategy, data collection method, and analytical approach. Chapters 4 to 6 present the results, discuss their implications, and conclude the thesis, respectively. To enhance readability and avoid repetition, the terms Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) are used interchangeably with "sustainability", despite their subtle differences in meaning.

2. Literature Review

This chapter introduces recent developments in EU sustainability reporting and presents an overview of empirical research on the effects of such regulatory measures. It adopts an institutional perspective to explore external drivers shaping corporate sustainability strategies and reporting behavior. Complementing this view, the Resource-Based View (RBV) theory is introduced to analyze internal drivers rooted in firms' strategic capabilities.

2.1 Corporate sustainability reporting: An EU perspective

2.1.1 From voluntary to mandatory reporting

Sustainability reporting gained momentum in the late 1990s, as firms faced increasing criticism for neglecting their environmental and social impacts (Bernow et al., 2019). The introduction of the Global Reporting Initiative (GRI) in 2000 marked a significant milestone by establishing a standard for consistent non-financial reporting (Bernow et al., 2019). The GRI framework was developed to assist companies in disclosing their ESG impacts in a structured manner (Christensen et al., 2021; GRI, 2025). Consequently, firms began voluntarily reporting in alignment with these global standards, seeking to promote greater uniformity in sustainability communication (Christensen et al., 2021). Despite the efforts to harmonize sustainability reporting practices, voluntary disclosures often lack comparability and verifiability (Bernow et al., 2019).

A further concern is the absence of mandatory audits, which raises questions about the reliability of the reported data (Christensen et al., 2021). The absence of external verification makes it challenging to assess whether companies are providing a truthful representation of their sustainability performance or selectively highlighting positive aspects while omitting critical issues. In particular, the use of boilerplate language allows firms to further influence perceptions of their sustainability efforts (Crilly et al., 2016). When combined with selective reporting, this practice can result in greenwashing, where firms mask negative impacts by emphasizing positive but largely symbolic actions (Christensen et al., 2021).

Recognizing these limitations, the EU has taken significant steps to regulate sustainability reporting. The first mandatory EU sustainability reporting requirement was the Non-Financial Reporting Directive (NFRD), which was launched in 2014 (Hummel & Jobst, 2024). It mandated large public-interest corporations in the EU with a workforce exceeding 500 to publish ESG information (European Parliament & Council of the EU, 2014). The requirement came into effect for the financial year 2017. Alongside the NFRD, the EU has introduced several other sustainability disclosure regulations, including the Sustainable Finance Disclosure Regulation (SFDR), requiring financial actors to provide detailed insights on sustainability risks (European Parliament & Council of the EU, 2019), the Corporate Sustainability Due Diligence Directive (CSDDD), which mandates due diligence on human rights and environmental impacts along the entire value chain (European Parliament & Council of the EU, 2024), and the EU Taxonomy, which introduces a system for classifying economic activities as environmentally sustainable (European Parliament & Council of the EU, 2020).

In 2022, the EU introduced the CSRD, which updates and replaces the NFRD as of fiscal year 2024. The CSRD establishes more extensive disclosure requirements and expands the number of businesses that must report sustainability information. Major updates encompass mandatory reporting in line with the European Sustainability Reporting Standards (ESRS), the mandatory section for sustainability information in the annual report, the limited assurance requirement, and the digital tagging of reported data (European Parliament & Council of the EU, 2022).

2.1.2 Corporate Sustainability Reporting Directive

The 2022/2464/EU directive, commonly referred to as the CSRD, is a legislative measure adopted by the EU on December 14, 2022. It enforces companies to issue detailed information about risks and opportunities related to social and environmental matters, as well as impacts of their operations on society and the environment (European Parliament & Council of the EU,

2022). This legislative framework is a cornerstone of the EU's broader strategy to advance sustainable finance, align corporate practices with environmental and social goals, and promote the journey towards a net-zero economy by 2050, as outlined in the European Green Deal (European Commission, 2019; European Parliament & Council of the EU, 2019, 2021, 2024).

The CSRD, as of May 30, 2025, applies to a wide range of entities, including large companies, listed small and medium-sized enterprises (SMEs), and certain non-EU corporations with business activities in the EU. Specifically, the CSRD mandates sustainability reporting for organizations that meet at least two of the following criteria: total assets exceeding 20 million EUR, a net turnover above 40 million EUR, or an average of 250 employees during the financial year (European Parliament & Council of the EU, 2022). Additionally, listed SMEs are also imposed to report, although they benefit from reduced reporting standards and a transition phase to adapt to the new rules. Furthermore, non-EU companies with a revenue exceeding 150 million EUR and a presence within the EU fall under the scope of the CSRD, ensuring a level playing field for companies operating in the EU market (European Parliament & Council of the EU, 2022).

The implementation of the CSRD follows a phased timeline (European Parliament & Council of the EU, 2022). Starting in 2024, the directive applies to entities already covered by the NFRD, specifically for financial years beginning on or after January 1, 2024. Other large enterprises must comply commencing with financial years on or after January 1, 2025. For listed SMEs reporting obligations apply to fiscal years starting on or after January 1, 2026, although they may opt for a two-year deferral to support the transition.

A further critical aspect is the mandatory transposition of the CSRD into national law, with each EU member state responsible for implementing the directive within its own legal system (Hummel & Jobst, 2024). As of January 2025, not all EU countries have completed this process, including major economies such as Germany and Spain (PwC, 2025).

With the scope of reporting obligations clarified, the next focus is the content of the report. This is essential for decision-makers as it determines which sustainability topics and management practices must be disclosed and guides how companies address ESG topics. To this end, the European Financial Reporting Advisory Group (EFRAG) has developed the ESRS, providing uniform reporting guidelines. The CSRD requires companies to report in accordance with the ESRS framework (European Parliament & Council of the EU, 2022).

The ESRS consist of ten topical standards organized around the three ESG pillars, along with two cross-cutting standards that are universally applicable (European Commission, 2023). Figure 1 gives an overview of the full set of standards included in the ESRS.

Topical standards			Cross-cutting standards
ESRS E <i>(environmental)</i>	ESRS S <i>(social)</i>	ESRS G <i>(governance)</i>	ESRS 1 <i>(general requirements)</i>
E1: Climate	S1: Own workforce	G1: Business conduct	ESRS 2 <i>(general disclosures)</i>
E2: Pollution	S2: Workers in the value chain		
E3: Water and Marine resources	S3: Affected communities		Planned standards ¹
E4: Biodiversity	S4: Consumers and end-users		Sector specific standards
E5: Circular Economy			

¹: not yet published

Figure 1: Overview of ESRS standards. Own illustration based on ESRS.

The principle of double materiality is a fundamental aspect of the CSRD and is defined within the general requirements (ESRS1) of the ESRS. Companies are required to report on sustainability topics from two perspectives: financial and impact materiality (European Parliament & Council of the EU, 2022). Financial materiality refers to how sustainability issues, such as climate change, resource scarcity, or social inequality affect the company’s financial performance. In contrast, impact materiality considers how a company’s activities, products, and services affect society and the environment. The outcome of the double materiality assessment (DMA) will determine which topical standards the company is required to report on (European Commission, 2023).

Nevertheless, the regulatory environment is undergoing rapid changes. On February 26, 2025 the European Commission introduced a proposal to refine the scope of the CSRD, aiming to streamline regulatory processes and enhance market competitiveness (European Commission, 2025). The Omnibus proposal suggests narrowing the scope of the CSRD by limiting its application to enterprises exceeding 1.000 employees and either a turnover above 50 million EUR or total assets over 25 million EUR (European Commission, 2025). According to the Commission, this adjustment could reduce the number of firms affected by the CSRD by approximately 80% (Directorate-General for Financial Stability, Financial Services and Capital

Markets Union, 2025). The rationale for this reduced scope is based on the assumption that large firms have the most significant environmental and social impacts, thereby making their disclosures more relevant for stakeholders. Additionally, the proposal aims to minimize the administrative burden on smaller businesses operating within the value chains of larger entities (European Commission, 2025).

Nonetheless, it is important to emphasize that this proposal has not yet been enacted. As of May 30, 2025, only the “stop-the-clock” mechanism, which affects the implementation timeline of the CSRD, has been approved by the European Parliament (European Parliament, 2025). This mechanism will delay the implementation of the CSRD requirements for two years for large companies that have not yet started reporting, as well as for listed SMEs (Council of the EU, 2025). The broader proposals to amend the CSRD are still under review. Until that, the original scope and requirements remain in force.

2.1.3 Effects of mandatory corporate sustainability reporting

The shared objective of regulatory initiatives is to use sustainability reporting to support broader climate and sustainability objectives (Christensen et al., 2021). The implementation of the NFRD led to a significant increase in the number of companies publishing sustainability reports (Cuomo et al., 2024), indicating improved transparency. Additionally, EU firms increased their CSR activities in the year the reporting mandate entered into force (Fiechter et al., 2022), suggesting that companies are strengthening their sustainability efforts following the enforcement of the directive. This can be explained by stakeholder pressure arising in response to mandatory sustainability disclosures (Christensen et al., 2021; Fiechter et al., 2022). Another reason might be that the availability of public CSR disclosures allows companies to benchmark their sustainability performance against their competitors (Fiechter et al., 2022; Tomar, 2019). Interestingly, EU firms increased their CSR activities well before the reporting mandate took effect (Fiechter et al., 2022). This tendency can be similarly linked to stakeholder pressure and benchmarking, but it also highlights the influence of internal learning processes, greater public scrutiny, and the anticipation of stakeholder reactions, all of which potentially incentivize early adoption (Fiechter et al., 2022). Similarly, evidence from China underlines that mandatory CSR reporting changes firm behavior and generates positive externalities at shareholders' expense (Chen et al., 2018). This finding supports the view that mandatory sustainability disclosure increases political and social pressure regarding a firm's ESG activities (Chen et al., 2018; Christensen et al., 2021; Fiechter et al., 2022).

Considering the increase in sustainability activities, several studies have examined the risk of greenwashing. In response to the directive, EU firms have implemented new initiatives, improved key metrics such as injury rates, strengthened sustainability infrastructure, and made substantial investments (Fiechter et al., 2022). This suggests that their actions extend beyond symbolism. Further studies support this, showing that the EU mandate reduces ESG decoupling and raises CSR expenditures (Aboud et al., 2024; Chen et al., 2018). However, it is not possible to rule out the risk of greenwashing in relation to mandatory sustainability disclosure, which means that the newly implemented sustainability initiatives, likely also includes some merely symbolic investments (Fiechter et al., 2022).

Research on the economic and financial impact of mandatory ESG reporting has yielded mixed results. Several studies have examined its effects on liquidity (Barth et al., 2017; Krueger et al., 2024; Roy et al., 2022). According to one viewpoint such regulations help reduce information asymmetry by enhancing transparency regarding the financial implications and ethical dimensions of firms' ESG activities (De Villiers & Marques, 2016). This increased transparency is significant, as managers and investors consider ESG information in their decisions either because it influences firm risk and cash flows or because it helps align investments with personal or institutional ethical preferences (Starks, 2023). In either case, evidence suggests that improved transparency through ESG disclosure mandates can improve market liquidity, with effects that are economically meaningful (Krueger et al., 2024). An alternative perspective proposes that ESG disclosure obligations may not have a substantial impact on liquidity. This may be due to the extensive, and mostly qualitative nature of non-financial information, its limited financial relevance, or weak investor demand for ESG data (Krueger et al., 2024).

Further, research from China found that companies' return on assets (ROA) and return on equity (ROE) declined following the introduction of mandatory CSR reporting (Chen et al., 2018). These findings indicate that compliance costs, administrative burdens, or the reallocation of resources toward ESG-related initiatives may initially have a negative impact on financial performance. In contrast, a cross-country study by Ioannou and Serafeim (2019) found that increased CSR disclosures are positively associated with firm valuations. Although regulations may have introduced costs for firms, the overall evidence suggests that, on average, the regulation has enhanced firm value rather than diminished it (Ioannou & Serafeim, 2019).

Additionally, recent research shows that companies adopting sustainability reporting under the NFRD experienced lower systematic risk and reduced cost of equity, indicating that ESG transparency enhances risk management and investor confidence (Cuomo et al., 2024). Gibbons (2024) expands on this, showing that environmental and social reporting attracts increased investment from institutional owners and has material effects on firms' investment and financing decisions. In particular, firms mandated to report ESG information allocate more capital to long-term, innovative projects and raise more equity. Moreover, evidence indicates that such disclosure attracts long-term-oriented institutional investors with sustainability preferences, which in turn influences corporate decision-making (Gibbons, 2024).

Finally, some researchers highlight that the potential lack of standardized reporting frameworks and clear guidance may lead firms to comply only superficially, disclosing the bare minimum to meet regulatory requirements (Krueger et al., 2024).

2.2 External institutional drivers

2.2.1 Institutional theory and legitimacy

Institutional theory offers a conceptual perspective to explore organizational behavior and the notion of legitimacy. It examines the role of social and cultural pressure shaping organizational dynamics (Delmas & Toffel, 2004). This sociological theory suggests that companies not only act based on strategic choices or operational efficiency but also respond to external pressure (DiMaggio & Powell, 1983). The central underlying concept is called institutional isomorphism and refers to the process by which firms become increasingly similar over time due to external factors rather than competitive forces (DiMaggio & Powell, 1983). DiMaggio and Powell (1983) outline three mechanisms that drive institutional isomorphic change.

Coercive isomorphism, results from formal and informal pressure exerted by external players, such as governments, regulatory bodies, and funding institutions (DiMaggio & Powell, 1983). These major actors typically demand the adoption of specific practices and impose sanctions to enforce compliance through authority (Boxenbaum & Jonsson, 2017). This phenomenon underlines the role of regulation in shaping organizational behavior. In contrast, mimetic isomorphism primarily arises in situations of uncertainty (DiMaggio & Powell, 1983). In such circumstances, organizations often imitate established and successful peers as models for structuring their operations (Boxenbaum & Jonsson, 2017). Finally, normative isomorphism

occurs when shared educational backgrounds, professional networks, and industry standards contribute to the development of norms that corporations adopt, reinforcing homogeneity within sectors (DiMaggio & Powell, 1983). The pressure in this case stems from the professionalization of employees, especially those in managerial or specialized roles (Boxenbaum & Jonsson, 2017).

Within this context, legitimacy is defined as a “generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995). Institutional researchers view legitimacy not as a tangible resource, but as a set of foundational beliefs (DiMaggio & Powell, 1983; Zucker, 1987). Businesses attain legitimacy by aligning with these shared beliefs, which in turn shapes their actions and structures.

2.2.2 Institutional drivers of corporate sustainability

The adoption of sustainability management practices can be understood through institutional theory. Within this framework, sustainability regulations constitute a form of coercive institutional pressure, exerted primarily through legal mandates (Delmas & Toffel, 2004). Such regulations often require firms to adopt specific sustainability-related measures, such as environmental management systems or disclosure practices. In doing so, they influence CSR strategies and steer organizations toward regulatory compliance (Delmas & Toffel, 2004).

Nevertheless, within the same legal framework, companies take different approaches to sustainability management, with some going beyond the minimum requirements and others simply complying (Delmas & Toffel, 2004). Delmas and Toffel (2004) argue that firm responses to institutional pressure are not uniform due to the influence of several factors such as organizational structure, strategic positioning and performance. These factors shape how managers perceive and act upon regulatory demands, leading to heterogeneity in the adoption of regulations. For instance, a firm’s past environmental record plays a crucial role in shaping its response to regulations. Companies with a history of poor environmental performance may face growing scrutiny from regulators and the public, benefiting most from an increase in sustainability activities. Further the competitive landscape in which a firm operates also directs its regulatory response. Market leaders or highly visible organizations often face greater stakeholder expectations and pressure. Finally, the firm’s internal structure can also impact its response to regulatory pressure. The way a company is organized influences the interpretation of external pressure.

However, governments are not the only stakeholders exerting a form of institutional pressure. Other industry players may facilitate coercive and mimetic isomorphism, through simulating successful competitors or responding to customer requirements (Delmas & Toffel, 2004). Further, local communities can pressure companies to be more environmentally responsible by voting in elections or getting involved in non-governmental organizations (NGOs). Other external stakeholders influencing sustainability adoption include industry groups and suppliers (Delmas & Toffel, 2004).

Finally, industry characteristics influence how institutional pressure is dispersed across organizations (Delmas & Toffel, 2004). For example, in industries dominated by a few large companies, environmental practices are more likely to spread widely when these firms require their suppliers to adopt specific standards. In contrast, in more fragmented industries with many smaller actors, the diffusion of such practices tends to be slower and less consistent.

2.2.3 Decoupling: a consequence of institutional pressures

In recent decades, corporations have faced increasing external pressure to demonstrate transparency and strong ESG performance. A possible outcome of such institutional pressure is decoupling, wherein organizations adopt policies or practices to gain legitimacy without fully implementing them in practice. This results in a separation between formal structures and actual organizational behavior (Meyer & Rowan, 1977).

Against this background, academics have identified two distinct forms of decoupling (Bromley & Powell, 2012; Heese et al., 2016). Policy-practice decoupling occurs when organizations symbolically adopt formal policies but fail to implement them substantively (Bromley & Powell, 2012). In contrast, means-ends decoupling arises when firms comply with formal requirements of policies but do not achieve the underlying intended goals (Bromley & Powell, 2012; Scott, 2014; Wijen, 2014). This latter type is particularly present in complex environments, where it is difficult to evaluate practices, establish causal links, or measure performance outcomes (Wijen, 2014). In such contexts, the pressure of demonstrating compliance can overshadow the actual achievement of policy objectives. This phenomenon is frequently observed in the adoption of CSR initiatives, where new objectives are introduced but remain misaligned with the organization's core operational priorities (Bromley & Powell, 2012).

Hengst et al. (2020) highlight that decoupling can also occur within organizations during the implementation of sustainability strategies. Their findings show that even when such strategies are formally adopted at the organizational level, tensions emerge during day-to-day tasks, especially when sustainability initiatives conflict with existing corporate strategies. These tensions can result in internal decoupling, where the sustainability strategy is symbolically endorsed but not effectively integrated into core business activities. They further argue that such decoupling arises from misalignments in legitimacy between the overarching sustainability policy and the organizational and business processes (Hengst et al., 2020).

An additional factor affecting decoupling is institutional complexity. Academics demonstrate that conflicting demands from multiple levels of government intensify institutional tensions for firms (Luo et al., 2017). In this scenario, decoupling is used as a strategic response, enabling firms to navigate and manage competing expectations. By symbolically complying with various demands, organizations can maintain legitimacy with multiple stakeholders without fully committing to potentially conflicting or resource-intensive requirements (Luo et al., 2017).

2.3 Internal strategic drivers

In today's business environment, sustainability is increasingly viewed as a strategic process that involves both deliberate planning and adaptive responses (Neugebauer et al., 2016). This approach requires firms to develop specific capabilities that address environmental and social challenges (Neugebauer et al., 2016). Within this context, the resource-based view (RBV) provides a relevant theoretical lens for examining how firms respond to ESG reporting mandates from an internal perspective. The RBV centers on a firm's internal resources and capabilities as sources of differentiation and long-term competitive advantage (CA) (J. Barney, 1991). According to the RBV concept, sustained CA can be achieved through the effective management of resources that are valuable, rare, difficult to imitate, and organized (VRIO) (J. Barney, 1991; J. B. Barney et al., 2021; Bhandari et al., 2022).

Nonetheless, academics have been advocating for an updated RBV with broader incorporation of stakeholder interests (J. B. Barney, 2018; J. B. Barney et al., 2021; Freeman et al., 2021). Building on this evolving perspective, Bhandari et al. (2022) argue that while the VRIO characteristics of a firm's resources remain important, they are no longer sufficient on their own. Corporates are increasingly expected to go beyond profit maximization by addressing wider responsibilities such as social development, sustainability, and conformity with

governance standards (Bhandari et al., 2022). This suggests that the traditional RBV is inherently limited if it fails to account for the sustainability alignment of resources (Bhandari et al., 2022).

Other researchers support the expansion of the traditional RBV to better align with sustainability-oriented business practices (Gibson et al., 2021). For example, academics point out that achieving the triple bottom line may require leveraging resources that are not necessarily rare or inimitable, challenging the conventional VRIO criteria (Glavas & Mish, 2015). Moreover, reputation, both social and business-related, has been identified as a critical intangible asset, with researchers highlighting its role in building stakeholder trust and protect firm value during adverse events (Branco & Rodrigues, 2006; Godfrey et al., 2009; McWilliams & Siegel, 2011).

Building on this viewpoint, McWilliams and Siegel (2011) propose a broader interpretation of the RBV that includes corporate sustainability as a source of strategic value. In their paper, they note that sustainability initiatives such as ethical sourcing, environmental management and community engagement can be considered as strategic resources under the RBV framework. When these sustainability-oriented practices contribute to improved brand reputation, employee productivity, or reduced risk, and are difficult for competitors to replicate, they create opportunities for firms to simultaneously generate social value and capture economic returns. Therefore, corporate sustainability becomes strategic when it is aligned with the company's value creation goals and differentiates the firm from its competitors (McWilliams & Siegel, 2011).

While gaining renewed attention, this concept is not entirely new. Hart (1995) was among the first to argue, within the resource-based concept, that corporate sustainability can foster strategic resources and capabilities to achieve a lasting CA over competitors. Such capabilities and resources are reflected in sustainability initiatives, such as reducing operational costs through resource efficiency or building a sustainability-oriented brand image that resonates with consumers (Hart, 1995; Walsh & Dodds, 2017).

2.4 Research Gap and Research Question

While scholarly interest in the effects of mandatory sustainability reporting is growing, existing research has predominantly focused on the economic outcomes, increased levels of disclosure, and the adoption of sustainability initiatives. However, the strategic implications for firms subject to such regulations have received little academic attention. There is a notable gap in understanding the drivers behind varying adoption strategies, the implementation challenges companies face, and the potential value creation or destruction associated with CSRD compliance.

Moreover, current empirical studies examine a broad array of global reporting regulations or concentrate on earlier EU directives, such as the NFRD. These prior regulations, however, lack the depth and scope introduced by the CSRD, which significantly raises the bar for disclosure requirements. As such, the strategic responses of firms to the CSRD remain underexplored, pointing to a clear and timely gap in the literature that this thesis seeks to address.

This study addresses these research gaps by answering the following research question:

How are EU-listed companies strategically responding to the CSRD?

And the following sub-questions:

- *What internal and external factors influence EU-listed companies' strategy to CSRD implementation?*
- *What challenges and benefits do companies identify in adapting to the CSRD's expanded disclosure requirements?*
- *How does CSRD influence corporate strategy and decision-making processes?*

3. Methodology

This thesis uses a qualitative methodology, chosen for two main reasons. First, the research question is exploratory in nature, making the qualitative paradigm well-suited. A qualitative approach allows for rich, in-depth insights from experts, providing a deeper understanding of the complex dynamics at play and enabling the derivation of specific, inductive conclusions (Flick, 2023). Second, the emerging nature of the topic further supports the use of a qualitative method, as it is well-equipped to analyze nascent issues (Flick, 2023).

3.1 Sample Strategy

This research focuses on EU companies operating within the materials sector, as defined by the Global Industry Classification Standard (GICS). This includes firms that “manufacture chemicals, construction materials, glass, paper, forest products and related packaging products, and metals, minerals and mining companies, including producers of steel” (MSCI Inc., 2023). The rationale behind a sectoral analysis is to provide more specific and comparable results on the impact of the regulation.

The decision to focus on the materials sector was motivated by two factors: first, the sector’s substantial environmental impact, which makes its approach to sustainability particularly relevant; and second, the number of eligible companies that met the study’s inclusion criteria.

The sample was selected by employing a purposive, homogenous sampling strategy, a selection method that considers information-rich cases, which provide valuable insights related to the research goal (Patton, 2002). This approach was adopted to identify respondents from organizations that were actively involved with the CSRD implementation and are thus experts in this field. The selection was based on the CSRD threshold for first-wave companies, taking into account the potential adjustments introduced by the Omnibus proposal. This resulted in the identification of a dataset containing all EU-listed companies in the materials sector with a workforce of over 1000 and having either a revenue over 50 million EUR or total assets exceeding 25 million EUR. This dataset, downloaded from Bloomberg, served as a foundation for the identification of eligible companies for the research study.

Then experts in the field of sustainability, strategy, accounting and reporting from these specific companies were identified and contacted. Contact was made through relevant social networks such as LinkedIn, or by directly contacting professional emails retrieved from annual reports. A systematic process was followed to select participants to achieve a high participation rate, starting with C-level contacts, followed by department heads and then senior sustainability managers. A total of 117 specialists were contacted through these methods, resulting in a sample size of 16 experts, as described in Appendix 1.

3.2 Data Collection Method

Qualitative data was collected through semi-structured interviews, a method capturing both past experiences and real-time insights from individuals involved in the research subject (D. A. Gioia et al., 2013). The interviews were conducted using an interview protocol (see Appendix 2), which included standard questions to guide the conversation.

This methodological approach facilitates consistency of results, while ensuring flexibility and a tailored focus on the research questions (Corbin & Strauss, 2015). The interview guide was designed with open-ended, non-leading questions to allow for reliable insights. Moreover, the assurance of anonymity in the treatment of the findings encouraged participants to share their perspectives publicly.

Given the international scope of the study, interviews were conducted online using video conference platforms such as Zoom or Microsoft Teams. This approach was most effective in overcoming geographical barriers and ensuring a seamless process. Furthermore, the scheduling of experts was often constrained by time, thus making this format the most efficient. Each interview, lasting on average about 26 minutes, was audio-recorded and transcribed to ensure a rigorous analysis.

3.3 Data Analysis

This study adopts the Gioia methodology to conduct the data analysis (D. Gioia, 2021; D. A. Gioia et al., 2013). The approach is particularly well-suited for exploratory research, offering a structured process for developing new concepts while ensuring methodological rigor. The Gioia methodology directly responds to key concerns in qualitative research, namely how to maintain qualitative rigor while preserving the creative and revelatory nature of inductive research (D. A. Gioia et al., 2013). This is accomplished by the method's systematic approach, in which the data is analyzed through several distinct phases.

The first phase involves converting raw data into first-order concepts, representing informant-centric terms and codes. At this stage, the intention is to preserve the exact language and terms used by the interviewees, without grouping or interpreting the data, which often results in a large number of initial categories. In this study, all quotations relevant to the research aim were initially extracted, resulting in 251 first-order concepts.

In the second phase, these first-order concepts were grouped into second-order themes. This step introduces a theoretical perspective, examining whether the emerging themes offer meaningful insights into the phenomenon under investigation. The analysis focused on identifying patterns among the informants’ statements that pointed to broader categories.

Following the development of second-order themes, the analysis proceeded to identify second-order aggregate dimensions. These are high-level categories that capture the core findings of the study. As data collection and analysis progressed in parallel, the development of second-order concepts and aggregated dimensions led to multiple iterations of the interview transcripts and the codes. This phase continued until theoretical saturation was achieved – that is, the point at which further data collection no longer produced new concepts or themes related to the research topic (Glaser & Strauss, 2017). In this study, saturation appeared to be reached by the 14th interview. However, to validate this, additional interviews were conducted. These did not yield new insights, confirming the sufficiency of the dataset.

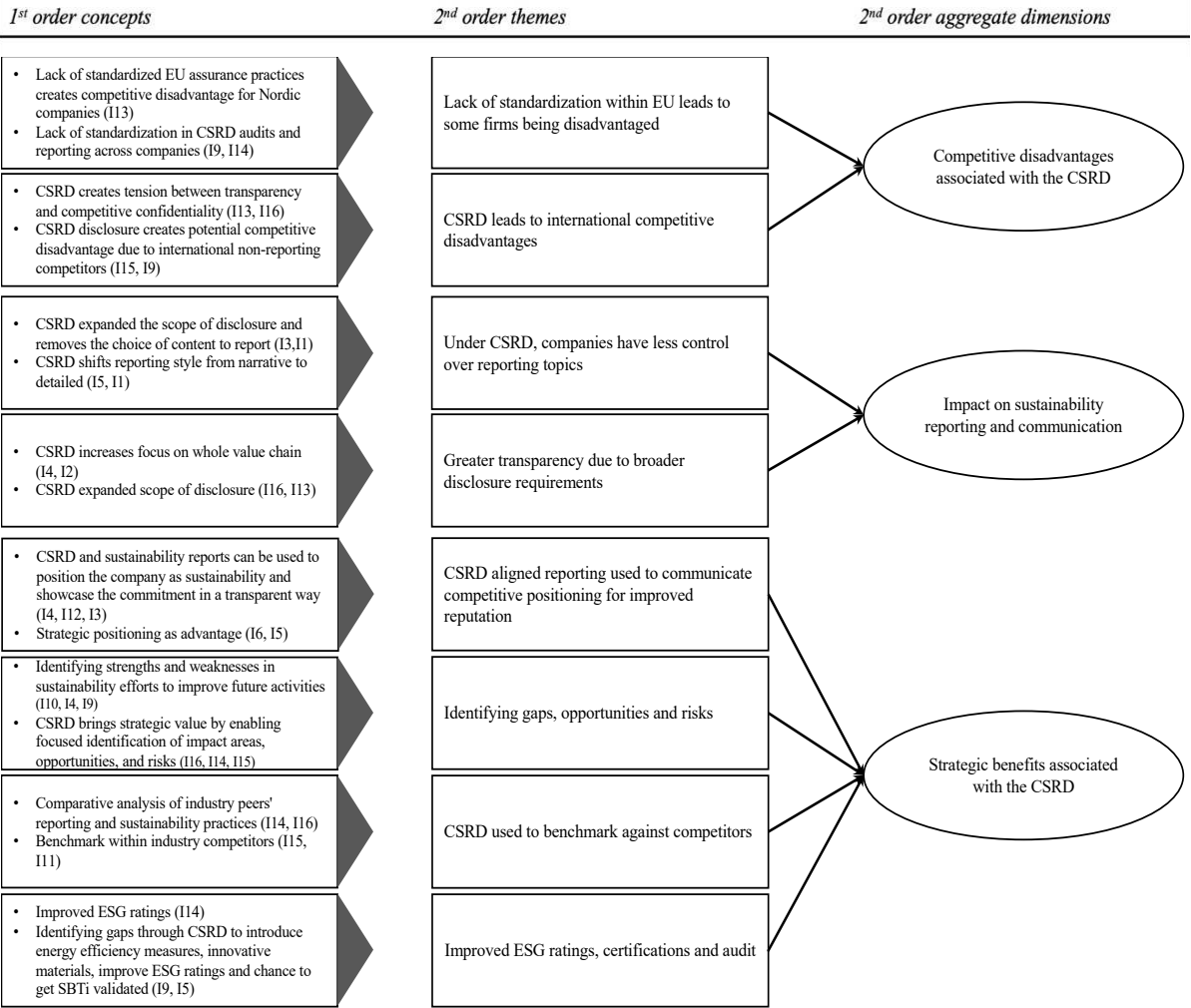


Figure 2: Visualization of the Data Structure. Own illustration based on the Gioia methodology.

The entire array of first-order concepts, second-order themes and aggregate dimensions form the groundwork for developing a data structure. The aim of a data structure is to organize and visually represent the development from data to identified concepts and themes. It is an essential element that ensures transparency and rigor in the analytical process, which is essential for validating research findings. Figure 2 presents a simplified version of the data structure, offering an overview of the analytical process. A final and complete version of the data structure is provided in Appendix 3.

The objective of the data analysis is to construct an inductive model derived from the data and representing the informants' experiences in theoretical form (D. Gioia, 2021). This is conceptualized in the grounded theory model, which demonstrates the dynamics between the novel constructs that outline and clarify the research topic, while keeping the link between data and theory. The model will be introduced in the discussion section.

4. Findings

This chapter presents the results derived from the qualitative analysis of 16 interviews. The assessment resulted in seven dimensions that capture the dynamics of varying CSRD approaches, their influencing factors, and related impacts.

4.1 External factors influencing corporate views and approaches to sustainability

The external environment creates a challenging context for companies as they respond to evolving sustainability regulations. The study identifies external factors beyond the CSRD that encourage sustainability practices and reporting, and others that reduce their focus and sense of urgency.

Two main external drivers actively promote sustainability efforts. First, customer and investor expectations have become key drivers. Companies experience a clear shift in the level and type of inquiries they receive. Stakeholders increasingly focus not only on whether sustainability metrics exist, but on “how sustainability is integrated into the business model” (I14). This growing “pressure from the outside, [with] more customers, more suppliers [demanding] different key figures” (I4) is partly driven by “selling reasons” (I4) but also by client’s own reporting needs “to calculate their scope 3 emissions” (I4). As one participant put it, “it’s simply because it is an expectation from big customers” (I5). Others added that sustainability reporting “will raise interest also from our key stakeholders and customers and investors” (I10).

The second incentive arises from broader regulatory developments. Interviewees point to the “increased regulatory initiatives by the EU” (I2), which are “changing a lot of the landscape of business” (I5) and forcing companies to “adjust and adapt and invest to remain competitive” (I5). Some organizations specifically aim for “EU taxonomy alignment” (I3), either to unlock “funding opportunities associated with that” (I3) or to enhance their reputation.

At the same time, two other external factors are reducing attention to sustainability matters. One is growing uncertainty around regulation. The proposed Omnibus directive, which directly impacts the CSRD, has evoked mixed reactions among companies. While many “welcome the simplification of reporting obligations” (I11), others express concern that such changes could undermine the core purpose of the CSRD. As one interviewee remarked, “comparability with the Omnibus is now a bit disappearing because there will be no sectoral standards” (I13), while another warned of the “risk of CSRD becoming more of a bureaucratic tool, more of a marketing tool, green marketing as well, which is what it was meant to tackle in the first instance” (I5). There are also concerns that the revised directive will have minimal positive impact “unless it gets tough, not only on big companies, but also on medium companies, in the public sector” (I5). This regulatory uncertainty has sparked internal debates within organizations, especially given the financial implications on whether to sustain or scale back CSRD-related efforts: “it is a monetary topic” (I4). This ambiguity appears to be “creating a counter effect that people and companies are a bit having a reporting fatigue that they are not seeing the bigger picture” (I16), and it “pulls back the pressure on companies that lack motivation” (I7), enabling them to “go along with the flow” (I7). Moreover, the simplification narrative may unintentionally lead to underestimations of effort required, particularly among senior leadership, “because now top managers read about it and say, well, I mean, it was simplified, right?” (I9).

The second limiting factor is the broader geopolitical environment that contributes to growing “backlash towards sustainability” (I3). Shifting international policies, particularly in the United States, where the “Trump administration [is] going in a different direction” (I16) compounded by “geopolitical tensions that start to bash also green and climate” (I15) contribute to a “wider backlash [...] underpinned, of course, by current politics and the increase of right-wing, anti-climate parties” (I1). This geopolitical environment is influencing corporate perspectives, contributing to a perception that “the urgency has reduced” (I1).

4.2 Two approaches to CSRD: compliance-oriented and strategic focus

Despite these conflicting external signals, the analysis unveils two approaches to CSRD implementation, with a marked predominance of the compliance-oriented strategy. Most firms view CSRD primarily as a legal obligation and focus on fulfilling the minimum regulatory requirements. Despite this focus on compliance, insights show that various internal motivations and dynamics influence how companies respond to the directive.

Regulatory compliance consistently emerged as a central theme. Many interviewees emphasize the legal nature of the directive, describing it as a non-negotiable requirement. For instance, one participant stated, “It’s a legal requirement. We have to meet it no matter whether we want to or not” (I9). Another affirmed, “Regulation and compliance [...]. I can assure you we wouldn’t have done it if it wouldn’t have been mandatory” (I13). Similarly, another respondent noted, “It’s a legal obligation from the EU and from national legislation, so it’s something that had to be done in terms of reporting, just like financial reporting” (I5). These perspectives highlight that regulatory pressure is the primary driver behind initial CSRD engagement. Two key factors help explain the predominance of the compliance-focused approach among companies.

First, some firms have long-established sustainability strategies. For these entities, the CSRD is perceived as a procedural task distinct from their broader sustainability agenda. As one global head of sustainability explained: “We aimed at pure compliance. As I mentioned, there haven’t been any changes at the strategic level regarding the topics, neither at the operational level” (I8). Similarly, another company reported that “Basically, in the reporting, everything with a ‘May’ – meaning it’s voluntary in the legal text – we basically cut out and ignored” (I1). This respondent added, “I wouldn’t say that we step back with our ambition to sustainability, because I really think this is disconnected” (I1). These views suggest that firms often separate regulatory compliance from their existing sustainability commitments, treating the directive as a technical reporting task rather than a strategic driver.

Second, the novelty and complexity of the regulation place significant demands on internal resources, with many teams feeling “overwhelmed in terms of capacity and new things that they have to learn” (I9). As a result, companies chose to focus on fulfilling the essential requirements. One interviewee clarified, “reporting the mandatory requirements and not getting deep into the voluntary or things that are additional because it’s the first time, so we need to focus on the essential” (I12). Firms also regard the first year as a trial period to assess their

current position and lay the groundwork for future improvements, as illustrated by one participant: “The first year has mainly been trying to get the first report done, so in that sense I would say that the first year probably is more kind of focused on the disclosure part” (I14). A smaller company also described a cautious approach taking “a wait-and-see attitude, observing how the market generally positions itself, and based on that, consider how we can continue to develop over the coming years” (I7).

While legal obligation remains the primary driver for CSRD implementation, many companies also acknowledge secondary motivations. In addition to regulatory pressure, some recognize strategic and reputational considerations as influencing factors. For instance, one expert commented that “to a smaller degree – of course – disclosing all that information gives you a platform to display what you do and that you do certain things in a good and advanced manner” (I11). Others point to growing demands for transparency among external stakeholders. For example, one respondent emphasized, “there are some other aspects as well such as the customer side and the investor side. Obviously, it makes sense for us to kind of respond to that demand of more transparent sustainability data” (I14). Reputational risk mitigation also emerged as a relevant driver. One sustainability specialist explained, “Of course, we have to do the CSRD report, and like I said, we have a vision of being a sustainable company [...] And it wouldn’t be a good sign to the stakeholders to have this vision and work on this vision, but at the same time fail through the CSRD audit. This would also then have reputational damage” (I4).

Only a small number of companies demonstrate a strategic focus towards the CSRD. These firms use the directive as a tool for value creation and organizational optimization. One participant remarked that “from the beginning, we wanted to do this as strategically as possible” (I13), highlighting the use of the double materiality assessment as a foundation to “really understand or use it as a strategic tool to understand, especially the opportunity side” (I13). Another expert framed their effort as “we tried to make it a beyond-compliance exercise, and [...] turn this into a value-creating project” (I10) by focusing on material issues and “not doing something based on the feelings, but we are really looking based on the data and analysis” (I10) to “make the processes in a way more efficient” (I10). These responses illustrate the proactive strategic approach towards the CSRD that a small number of companies adopted.

4.3 Challenges related to CSRD implementation

The predominance of the compliance-oriented approach is further shaped by various challenges encountered during CSRD implementation. Five key barriers have been identified.

First, the extensive workload associated with the new regulation presents a significant obstacle. Companies reported difficulties in managing the “breadth and granularity of data that the CSRD requires to disclose” (I11), often compounded by the struggle to get “additional resources” (I14) necessary for implementation. The regulation’s “complexity” (I10) was amplified by “a lot of grey areas open for interpretation” (I3) and “quite some unclarities” (I11). Several organizations faced these challenges without “any additional capacity for CSRD” (I9), making the reporting process “very labor-intensive” (I8) due to the “huge amount of KPIs” (I4). Implementing “new KPIs across the company” (I6) within “such a limited time” (I8) added further pressure, with multiple respondents acknowledging how difficult this was.

Second, the absence of practical guidance and best practices creates significant uncertainty. All participating firms “were included in the first batch of companies with absolutely no guidance or best practices” (I7). Interviewees note that “the guidance documents from EFRAG offered little to no help” (I8) and that teams were “learning at the same time that we had to conduct the actual work” (I10). External expertise also proved limited, as one respondent remarked: “That’s interesting about ESG, because the consultants don’t know more than people within the company, right?” (I9). As a result, the “lack of guidance was just a huge burden to companies to try to figure it out by themselves” (I14).

Third, global operations add another layer of complexity. Companies with international operations struggled with legal discrepancies across jurisdictions as “legal situations might be different in other countries” (I11), making global data collection difficult. Specifically treating “the European standard as a minimum benchmark [...] doesn’t work in practice” (I6). These difficulties were further compounded by “language as well as cultural barriers” (I9).

Fourth, some companies criticize the CSRD for its administrative and bureaucratic burden. One CEO describes the regulation as a “bureaucracy monster, due to its size and extent” (I9), while another is “really furious about the cost of CSRD compliance” (I1). Among some firms there is a shared perception that the process was “not only labor-intensive [...], but it also feels excessive” (I8), raising concerns about proportionality relative to the intended outcomes as “some rules or standards are too heavy compared to the strategic discussion that you want to have” (I16).

Fifth, internal resistance also emerged as a barrier, particularly where the strategic value of the CSRD was questioned. A CEO from a mining company adopts a skeptical position as “he does not think that the CSRD is contributing to increased sustainability” (I1) and that “from a company perspective” (I1) there is “no value in CSRD” (I1). Others faced difficulties in “creating awareness and selling this exercise as something which could also bring value to the company” (I16), particularly among board members who initially respond with resistance.

4.4 Strategic benefits associated with the CSRD

This section examines strategic advantages and how the CSRD can be leveraged to create value, as reflected in the observation that “the CSRD is increasingly being viewed as a strategic tool” (I7). Importantly, insights into its strategic potential emerge from companies with diverse adoption strategies, highlighting that perceived benefits extend across both compliance-oriented and proactively strategic organizations. The data reveals four central strategic applications of the CSRD.

One of the most cited strategic benefits of the CSRD is its function as a tool for identifying gaps, opportunities, and risks. Through the DMA and the structured reporting process, the CSRD drives companies to undertake a “deeper level of analysis of [their] impacts and dependencies are” (I14). For companies with long-established sustainability history, this creates an opportunity to build on existing practices, for instance, by identifying “gaps that will help us introduce new energy efficiency measures, or use innovative materials” (I9) and “revealing us our strength and weaknesses, and we have taken it, in a way, seriously and as an advantage for ourselves to enhance our future activities” (I10). For less experienced companies, the process serves as a foundation. One expert elaborated: “We are trying to truly comply with the requirements, which has revealed many, many gaps” (I7), highlighting the value of establishing a clear sustainability baseline.

In some cases, the assessment results in the identification of new business opportunities. One participant, for example, illustrated that “circularity and our role in the circular economy was something we really needed to focus on and build last year – and that is now one of our business drivers” (I10). Additionally, the CSRD strengthens internal risk perspectives, with interviewees pointing to a growing awareness of sustainability-related risks and their financial implications. As one respondent put it, the directive encourages companies to examine “different business opportunities and risks that come from sustainability” (I14), including a deeper understanding of how climate and nature risks affect core assets: “You start to look at the assets you have in

the company and assess how, for example, nature or climate risks impact them. Then you begin to translate that into financial terms” (I14). Ultimately, this supports a more integrated view of the “financial impact of sustainability risks and opportunities” (I13).

Another strategic use of the CSRD is its function as a benchmarking tool. Corporates use the standardized and transparent reporting framework to assess their sustainability performance relative to peers. This allows them to explore questions such as, “How do we compare to other companies regarding targets?” (I11). By providing “access to plans and examples of how others are doing that you can benchmark yourself” (I16). Organizations use this information to evaluate “how do we compare to the other companies that are in the same industry” (I14), not only in terms of sustainability progress but also in terms of market position showcasing “leadership or [...] lacking behind those competitors” (I14).

CSRD is also strategically used to strengthen the competitive positioning as a sustainable entity. The standardized reporting provides “clear figures” (I4) that allow firms to “show the effort and progress, so that you try to get better in the different area” (I4). This transparency helps companies signal that they are “functioning well and are aware of all the risks” (I5), which contributes to building a “better public face” (I5) and “improved reputation” (I3). This is particularly relevant for first movers who “fully complied with the CSRD, setting a standard in the industry” (I6), positioning themselves as leaders in sustainability.

A final strategic deployment of the CSRD is its impact on ESG ratings and external evaluations. As one participant noted, “good CSR reporting leads to higher ESG ratings” (I9), and it also increases the “chance to get SBTi validated” (I9). Businesses expect to “do better in sustainability audits” (I5) and perform more strongly “in other sustainability ratings by companies and by suppliers, by customers” (I5). Additionally, the structured nature of CSRD reporting allows for greater harmonization and efficiency. Reporting processes can be “harmonized and streamlined” (I14), creating “synergy with certifications which ask us to perform due diligence on your supply chain” (I2). Over time, this integration is expected to reduce “resources and time” demands (I10), making sustainability reporting more efficient and impactful.

4.5 Impact on corporate sustainability and its integration into core business

The CSRD has various effects on companies' sustainability strategy and its integration into core business operations. While the specific impacts vary between companies, they are present across firms regardless of their chosen approach to CSRD implementation. This section begins by examining the impacts of the CSRD on corporate sustainability.

Many firms affirmed that they have been on “this sustainability journey for years” (I6), with some stating they “have been producing sustainability reports since 2008” (I8). As a result, some organizations emphasize that they had “a clear sustainability strategy that has been in place long before the CSRD” (I6), and that the “CSRD hasn't affected it at all because it very much reflects the topics of sustainability that we have been addressing for over a decade now” (I5), leading to some respondents claiming that “regarding the content and the objectives or actions – no major changes have been made” (I8).

However, results show that the CSRD influences certain aspects of sustainability strategy refinement. While not fundamentally altering strategic goals, the directive encourages firms to “update their sustainability strategies if they are not already aligned with those material topics” (I14) and “getting deeper based on what we are required from the regulation” (I12). Notably, the CSRD “brought those topics that were not discussed before to at least the lowest level of importance” (I3). As one participant remarked, “what the CSRD has brought even more to the front is really the topic of social” (I6), an area where there “hasn't been much in terms of larger-scale oversight for social issues” (I7). Furthermore, several experts acknowledged that the CSRD helps to “refocus and structure a little bit more” (I16), “highlight more clearly what we do on the side” (I8) and “drive that systematic approach to all of the areas of sustainability” (I14).

A further area of influence relates to the target-setting component of the CSRD. Some participants mentioned that the regulation “forced [them] to think longer” (I1) and that organizations now “have to set certain targets” (I9), even in areas where such practices were previously lacking. As one interviewee explained, “in some of the [social] areas, in some of the [governance] areas, we do not have targets. So that is something we're going to tackle this year” (I11). While the expanded scope of the target section has driven a more holistic approach, the CSRD's assurance requirement has led to increased caution. One company acknowledged that “due to the increased level of transparency, we abandoned a target beforehand” (I1), a concern

reflected by others who pointed out that the assurance obligation “created a lot of hesitations over what would be disclosed. In some cases, preferring not to disclose something that they’re not entirely sure of or don’t have enough proof to discuss versus just disclosing it” (I3).

Beyond its concrete impacts on ESG strategy, findings indicate that the CSRD increases sustainability awareness. The directive “helped create change” (I1) by creating a “sense of urgency” (I3) and fostering a deeper “understanding of the necessity of it” (I9). One participant stated, “to some extent we’ve been able to use it as a leverage” (I13) and form a “well-structured sustainability network in the company” (I13). This growing internal awareness contributes to making the topic of sustainability “more present in the company” (I4) with another interviewee anticipating that “pragmatism will increase in terms of sustainability” (I9).

However, many also experienced adverse effects of the regulation. One participant explains that “the fact that CSRD was so heavy and burdensome, and it freaked out everyone. [...] I think that companies are having internal backlash” (I3). This sentiment potentially leads to a decline in support, as “the acceptance of this kind of reporting declined among colleagues, which is not good for the topic of sustainability” (I8). Some raise concerns that the association of CSRD with sustainability could be counterproductive if “people think, okay, CSRD = Sustainability, and we don’t like the CSRD, so sustainability is the problem” (I4).

Additionally, the findings highlight criticism regarding the CSRD’s strategic relevance for firms, as it “covers a lot of other aspects, which we wouldn’t see of strategic relevance for us” (I11) and “takes the focus from the really important things” (I12), making it harder to “focus on your core topics” (I4). Some even suggest that the regulation may be counteracting sustainable development efforts, with one interviewee stating that it is “stealing investments towards that green economy” (I16). The heavy workload further amplified this issue, requiring companies to “stop everything that you’re doing and then allocate all that time to CSRD” (I14), resulting in “other things [having] to be deprioritized” (I9).

Next, the integration of sustainability within organizations – stimulated by the CSRD – is explored through four major themes that emerged from the interviews. A widely shared sentiment is that “sustainability is not anymore something that you can just do as a checkbox exercise. It’s something that you really need to integrate into your businesses” (I14). However, opinions differ on the extent to which the CSRD shapes the strategic dimension of sustainability.

On the one hand, several companies claim that the directive has had little to no effect on their overall strategic orientation, with one respondent noting that “in terms of strategic thinking, strategic decision-making and investments, et cetera, no changes at all” (I5), as “the entire topic of sustainability being integrated into the corporate strategy [...] was already a component beforehand” (I8).

On the other hand, the CSRD increases visibility of sustainability within corporate hierarchies. Its stringent requirements lead to “much visibility to higher management, much more than before the CSRD” (I10), and increased board-level engagement: “senior stakeholders are far more involved and concerned about publication, especially that all of this information has to be audited” (I3). The element of legal liability further contributes to “very high board and executive management attention” (I16). Additionally, one interviewee raises concern that the CSRD may primarily result in “reporting needs being increased and becoming more, especially at board level – people become more annoyed by ESG” (I9). This tension suggests that while the CSRD may enhance formal integration and oversight, it does not always translate into genuine strategic commitment at the executive level.

Another impact of the CSRD is the structural transformation it initiated within enterprises. In response to the directive’s extensive data requirements, many companies have invested in new technological infrastructure, such as “introducing a completely new reporting tool” (I9). These developments often go hand in hand with broader organizational shifts. As one expert noted, “we recognized that for sustainability to be an integral part of our strategy, we need to do these structural changes within the organization” (I10). This provokes firms to reassess internal governance structures, with some relocating sustainability functions under the “finance and accounting function” (I13). In turn, this has elevated the role of the CFO, who “wasn’t involved before, but now after the CSRD he has some responsibilities as well” (I7). In other cases, sustainability has been “relocated in the organization next to strategy” (I10), signaling a more integrated approach. These structural changes aim to “avoid silo-thinking” (I16) and better “integrate sustainability throughout company operations and operating models” (I14).

Moreover, evidence suggests that the CSRD plays a meaningful role in embedding sustainability more deeply across organizational functions. Several informants reported that “even corporate level departments are now aware [of sustainability], they are familiar with the standards” (I12). Sustainability is increasingly “implemented as part of other business processes” (I16), and “staff on-site have become much more engaged, and responsibilities have

been implemented” (I7). Due to the extensive number of required KPIs, sustainability is now “more connected to every area in the company” (I4), contributing to a cultural shift where “it’s also part of our daily business” (I4). In some cases, the CSRD facilitates internal policy harmonization, pushing firms “to create that same guidance for everyone to follow” (I3).

Finally, the CSRD impacts decision-making in certain instances. Some interviewees described that “when we create new processes, what we already have, we take this standard into consideration” (I12), and that “sustainability considerations [are] incorporated into long-term planning and treated like financial accounting” (I10). The directive has also “played a big role in capacity planning” (I9), “integrating the DMA into the company risk process” (I13), and ensured that “sustainability has gained more focus in decision-making” (I6). Additionally, the presence of structured sustainability data is proving useful, as “the availability of this information in turn, internally even, is quite useful for decision-making” (I3). However, it is important to note that these influences are not attributed solely to the CSRD. As one expert remarked, “hard to say if it’s specifically CSRD that has pushed us in that direction” (I13), with others suggesting that “rather the customer demand or investor demand is pushing that a bit more” (I14). This suggests that while the CSRD acts as a catalyst, it is one of several forces shaping sustainability integration within firms.

4.6 Impact on sustainability reporting and communication

The implementation of a regulatory framework for sustainability reporting clearly influences how companies disclose sustainability-related information. As evidenced by an expert saying, “it has affected our execution of reporting” (I5). However, the data provides notable insights from a business perspective.

First, interviewees claim that transparency has increased due to the CSRD’s extended disclosure requirements, with participants stating that “today’s regulations are significantly more extensive” (I6), and companies must “look beyond [their] corporate scope and also to look more into [their] value chain, upstream and downstream” (I2). This highlights that “the importance through the value chain is developing and the topic gets more and more important, which also has to do with the CSRD” (I4). Together, these perspectives suggest that the growing emphasis on the entire value chain is contributing to enhanced transparency. Furthermore, the findings indicate that new topics are being covered in reporting, as “that has definitely changed the amount of reporting on the biodiversity side – complete revolution more or less on that side” (I13).

However, a further insightful observation concerning the broadened scope of disclosure has emerged. As one expert remarked, “realistically, companies don’t really want to disclose unless they have something really important, they can achieve through disclosure; otherwise, they will not” (I3). However, the CSRD now compels a broader and more standardized approach, as one participant illustrated: “we had the choice to disclose [...] and now, we are asked to disclose on all things equally or all things that are technically material” (I3). This shift reflects a transformation in sustainability reporting from being a tool for strategic storytelling, “the story you want to focus on” (I1) to one of regulatory obligation, “what you are required to do” (I1). While the CSRD promotes transparency, experts argue that it simultaneously complicates communication: “CSRD wants to be very transparent but makes it harder to convey our message” (I1). Others say that they had to “give up our nice [...] sustainability report we have been doing for years now with a lot of graphics and following more narrative reporting style” (I5) in favor of a “more detailed and technical” format (I5).

As a result, the reporting process is increasingly perceived as a compliance-driven task, with one interviewee stating that “sustainability reporting and sustainability becomes more and more a compliance exercise” (I1). In response to this tension, at least one company is considering publishing “a second communication piece during the year, which is more of the old-style sustainability report, where you are kind of free to prioritize and communicate what you want to communicate” (I1).

4.7 Competitive disadvantages associated with the CSRD

This section presents competitive disadvantages associated with the implementation of the CSRD, with two dimensions emerging from the interviews.

First, the lack of standardized assurance requirements across EU member states creates an uneven playing field. For instance, Nordic corporations are perceived to be at a disadvantage due to stricter national mandates: “Nordic companies are mandated to be assured by these finance accounting assurance companies” (I13), which significantly limits flexibility as firms are “restricted with who you can work” (I13). In contrast, businesses in Southern Europe “are able to work with any consultancy” (I13), leading to potentially “colorful end results” (I13). This inconsistency in enforcement has been recognized as problematic, with another expert emphasizing that “every auditor will be auditing differently” (I9) and thus, “different companies have such different approaches” (I14), causing disparities in workload and perceived pressure across regions.

Second, interviewees raise concerns about global competitive disadvantages. As one participant explained, “it is a major disadvantage, especially in the automotive industry at the moment to our competitors in, for example, China, who just don’t have to do such things and therefore got more time to be more innovative” (I9). This sentiment was shared by others noting that “a lot – of course also Chinese – and other competitors who are not obliged to report in this way” (I16). Additionally, participants described disclosure as a strategic “balancing act” (I15) while the CSRD requires transparent reporting on transition plans and sustainability investments, there is a risk that “telling enough but not too much” (I13) becomes a dilemma. As one expert expressed, “we can’t tell the exact date or the exact year of certain investments” (I13), since doing so could “put us at a competitive disadvantage compared to peers” (I16). Hence, the mandatory transparency demanded by the CSRD raises concerns over revealing sensitive strategic information in global markets where similar disclosures are not required.

5. Discussion

5.1 Theoretical and managerial contributions

This empirical research has examined the effects of the CSRD by applying the institutional theory, the RBV, and recent literature on mandatory sustainability reporting. The findings contribute to a deeper understanding of how these frameworks intersect and shape corporate responses to sustainability mandates, offering firsthand insights into how EU-listed entities in the materials sector strategically respond to the CSRD.

The results confirm that external forces in form of institutional pressure play a role in shaping corporate behavior, in line with the concept of coercive isomorphism as defined by DiMaggio and Powell (1983). Specifically, as suggested by Delmas and Toffel (2004), the study supports the notion that the impact of sustainability regulation is influenced by the state of a firm’s prior sustainability practices. Companies with less-established sustainability structures experience a more transformative effect from the CSRD, as they are required to expand their ESG strategies to conform with the directive.

Moreover, investors and customers emerged as influential stakeholders who drive the demand for transparency and improved sustainability performance, thereby constituting additional external drivers of CSRD adoption. In addition, mimetic pressure was observed in the form of companies striving not to fall behind peers in their sustainability progress. These insights

support findings by Delmas and Toffel (2004) that non-regulatory actors can be equally important in shaping organizational behavior. The combination of coercive and mimetic pressures illustrates how organizations navigate institutional complexity by responding not only to formal mandates like the CSRD but also to perceived expectations within their market and stakeholder environment.

However, the findings reveal the presence of external drivers that go beyond those commonly discussed in existing literature. Geopolitical dynamics emerged as increasingly relevant, shaping how companies perceive and prioritize sustainability. Recent political and ideological developments have contributed to a broader backlash against ESG initiatives, and the accompanying uncertainty has, in some cases, diminished the urgency previously associated with sustainability efforts. The United States' withdrawal from the Paris Agreement, growing uncertainty that comes with the Trump administration, and the rise of right-wing, climate-skeptical parties across Europe have caused some companies to shift their priorities, placing less focus on sustainability and adjusting their ESG goals accordingly.

In contrast to earlier studies which suggest that mandatory sustainability reporting fosters greater sustainability activity (Fiechter et al., 2022), most participants in this study report that they have not implemented new measures in response to the CSRD. A common explanation is the lack of time and resources. Additionally, several firms do not perceive a need to expand their sustainability efforts at this stage. This evidence suggests a slight increase in means to end decoupling, as many companies pursue compliance with the CSRD without making substantial changes to their existing sustainability strategies. These findings differ from earlier literature that emphasizes the positive effects of mandatory sustainability reporting on reducing sustainability-related decoupling (Aboud et al., 2024). Nonetheless, there is some emerging evidence that the CSRD may be contributing to a reduction of decoupling within the organization, as the results indicate a deeper integration of sustainability into core business processes.

In line with the broader RBV (McWilliams & Siegel, 2011), this thesis underlines that companies are additionally motivated by the strategic positioning as sustainable firms. This motivation is identified as the sole internal driver. Compliance with the CSRD is perceived as a means to strengthen this positioning and enhance corporate reputation. However, the results show that such motivations often existed prior to the implementation of the CSRD, indicating that the regulation tends to reinforce rather than initiate these efforts.

Furthermore, the scope of the CSRD extends beyond the strategic focus of sustainability for many firms, framing it more as a compliance obligation than a strategic opportunity. From a RBV perspective, this broader scope may limit the strategic relevance of the new requirements, given that many core sustainability initiatives were already implemented prior to the CSRD's introduction. These existing initiatives tend to align more closely with corporate objectives.

The findings of this study further contribute to the currently limited empirical research on the effects of the CSRD and reveal important managerial contributions. While existing literature has primarily examined earlier regulations, which typically required less detailed reporting, this study focuses on the broader scope of the CSRD. Consistent with earlier evidence (Cuomo et al., 2024), this study finds that the CSRD contributes to increased transparency. It does so by broadening the scope of required disclosures and limiting the extent to which companies can choose what information to report.

Another relevant insight is that firms strategically decide the degree to which they invest time and resources into CSRD compliance. Many firms aim for minimum compliance, often justifying this with reasons such as observing how competitors respond, treating the first year as a trial phase, or relying on pre-existing sustainability strategies. This approach is influenced by several implementation challenges, including limited guidance and best practices, a short timeframe, capacity constraints, unclear requirements, and the regulation's strong European focus in a global business environment. Many companies note that preparing for the first reporting cycle is labor-intensive, with some expressing that the effort required exceeded the perceived benefit. As a result, most corporations are currently prioritizing reporting obligations over broader strategic adjustments. However, despite this limited immediate impact, there is broad agreement on the expected long-term strategic benefits, such as improved risk assessment, improved ESG ratings, certifications and audits and a platform to showcase competitive position.

Furthermore, this thesis introduces first insights on how the CSRD affects corporate strategy and decision-making processes, an area that has not yet received substantial attention in the literature. The findings suggest that while the overall impact of the CSRD on corporate strategy is limited, it varies across firms. Some organizations plan to incorporate CSRD requirements into strategic planning cycles, yet most indicated that their core strategies remain unchanged. A key explanation for this is that many companies had already prioritized sustainability at the strategic level prior to the directive's implementation. In contrast, the influence of the CSRD

on corporate decision-making processes appears more substantial. Several firms noted that the directive is increasingly considered in decisions such as capacity planning, risk management and the identification of new value-generating opportunities.

Moreover, additional evidence supports the view that the CSRD is one of the factors contributing to the integration of sustainability into core business functions. Companies implement structural and governance changes, such as relocating responsibility for sustainability reporting to finance and accounting departments and more firmly embedding ESG considerations into enterprise risk management processes. Additionally, the CSRD initiated greater involvement from senior executives, largely driven by increased legal accountability.

A final contribution of this study concerns the overall effectiveness of the regulation, which is particularly relevant for policymakers and managers. The introduction of the Omnibus proposal is viewed as potentially limiting the directive's effectiveness in advancing sustainable development. Specifically, the removal of the sector-specific standards may undermine the goal of providing comparable data. Additional concerns include the lack of standardized assurance obligations and inconsistent implementation of the law across EU member states, both of which risk undermining the quality and consistency of reported information. Similarly, some organizations highlight unintended negative effects, such as reduced global competitiveness and barriers to innovation compared to non-EU firms. These insights suggest the need for clearer regulatory guidance and more uniform implementation throughout the EU.

The theoretical and managerial implications are synthesized in figure 3. This framework is grounded in the empirical evidence collected during the study. The objective is to illustrate the various drivers that influence corporate responses to the CSRD, as well as the effects of such responses.

The top section of the model presents the key factors influencing the two identified CSRD adoption strategies, with legal requirements showing the strongest connection. A company's prior sustainability efforts, often linked to its strategic positioning, also plays a supportive role in determining its compliance approach. In addition, the model illustrates how perceived benefits and implementation challenges contribute to shaping adoption strategies. The strongest association is observed between a compliance-oriented approach and the implementation challenges, as these directly influence the decision to pursue minimal compliance.

While a strategic focus is partially motivated by the recognition of potential benefits, it is primarily an internal strategic decision that determines this approach. Although it may seem that perceived benefits are exclusive to strategically focused companies and challenges apply only to compliance-oriented firms, this distinction does not hold upon closer examination. Both perceived benefits and challenges are evident across both types of organizations.

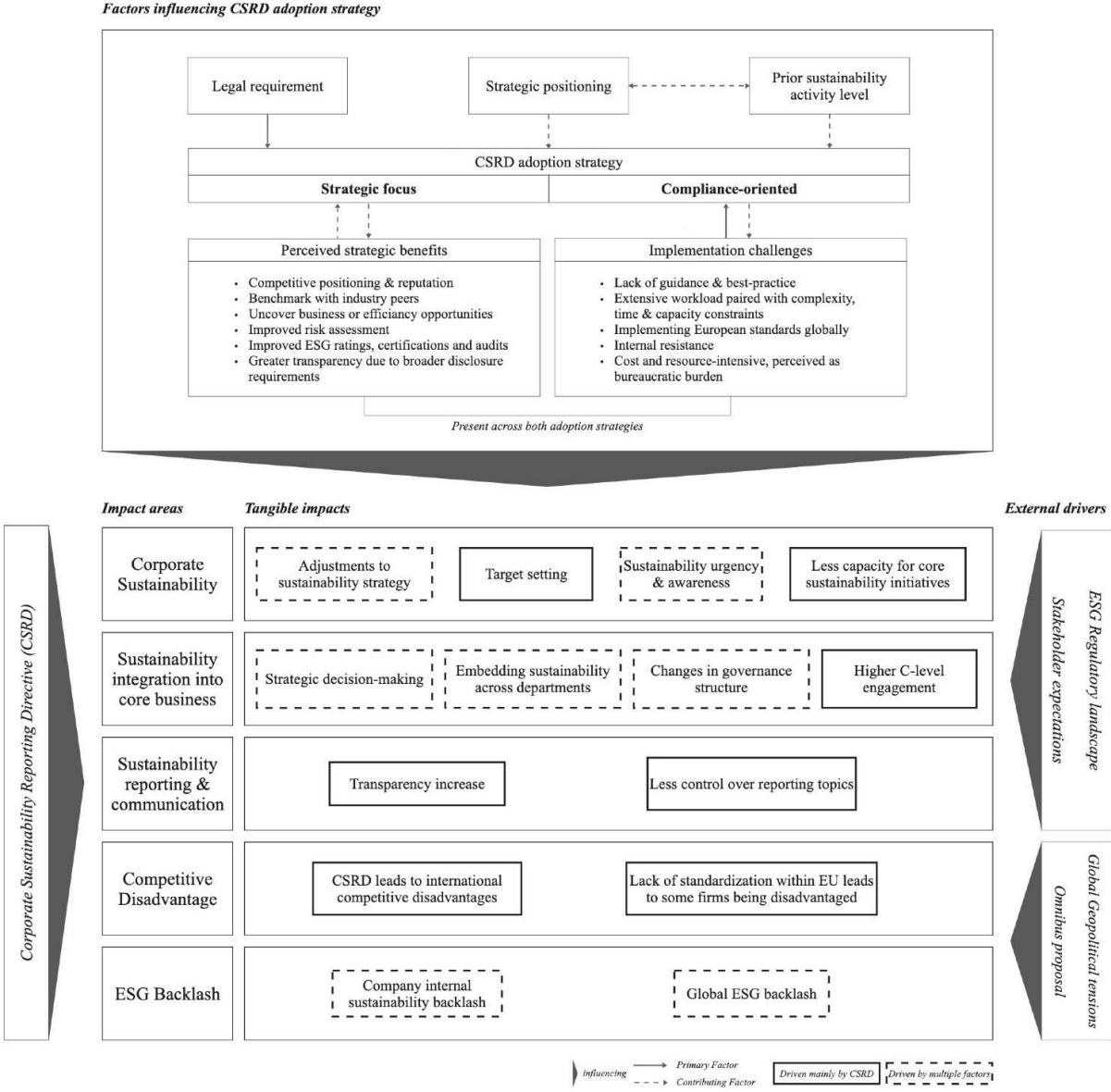


Figure 3: Key Drivers and Impacts of CSRD Adoption. Own illustration based on empirical data.

The elements in the upper section also influence the outcomes shown in the center of the model, which reflect the identified impact areas. These impacts are further influenced by external factors such as stakeholder expectations, the broader regulatory environment, geopolitical tensions, and the specific requirements of the CSRD.

The regulation has the most direct impact on sustainability reporting, sustainability target setting, executive-level involvement, resource allocation for sustainability efforts, and international competitiveness. In other areas, its influence is less direct and varies depending on the specific context of the firm.

5.2 Limitations and future research

Despite the insights and contributions of this research, several limitations must be acknowledged, which future studies should address to improve the understanding in this emerging field.

While the qualitative research paradigm is well suited for exploratory studies and supports high internal validity, it also has inherent limitations. First, although semi-structured interviews offer a certain degree of consistency, they remain flexible and lack full standardization. This flexibility can result in lower reliability, as the consistency of the results cannot be guaranteed. Second, due to the use of non-probabilistic sampling, the findings cannot be generalized to a broader population. To strengthen the external validity of these insights, future research could be complemented by quantitative methods. However, this may only be feasible in the next one to two years, once enough quantitative data becomes available. At the time of this study, such data were not yet accessible.

The topic of this study is still at an early stage, and the rapid pace of developments in the EU regulatory landscape, including within the CSRD, shows that this is a field that continues to evolve. Changes to the regulation even took place during the research process, which may have influenced the views of participants and affected the results. Therefore, the findings offer only a snapshot of the current state of implementation and perceptions. As the regulatory context continues to change, there is a possibility that these findings will become less relevant over time. Ongoing research is needed to keep pace with these developments and to improve understanding of the long-term impacts of the CSRD.

Similarly, the timing of this study, conducted shortly after the first reports under the regulation were published, provides an early view of how organizations respond. As a result, the findings primarily reflect initial perceptions of the CSRD's implications and offer a foundation for understanding early developments. Future research could reveal different or more developed insights, especially regarding the strategic benefits of the CSRD.

Moreover, this research focuses on the materials sector, which limits the generalizability of the findings across industries. Future research could examine other sectors to explore whether the impacts on strategy, decision-making, and sustainability activity are similar or show significant differences.

Furthermore, since this study focuses on large, listed companies, it would be valuable to extend the scope to include SMEs, which, if the Omnibus proposal is not fully adopted, will also be required to comply with the CSRD in its entirety. The impacts on SMEs are likely to be more significant, presenting important opportunities for future research.

In addition, the findings highlight the growing relevance of geopolitical tensions influencing corporate behavior in regard to sustainability. This timely topic requires deeper examination. Further studies could investigate the extent of this influence, both on sustainability activities and on companies' approaches to regulatory compliance.

Finally, the study raises the issue of potential global competitive disadvantages associated with the CSRD. Future research could assess whether these disadvantages materialize and how companies within the EU can effectively manage the associated trade-offs.

6. Conclusion

This thesis provides early-stage insights into strategic implications of the CSRD for EU-listed companies in the materials sector and contributes to existing literature on the effects of mandatory sustainability reporting.

Data collected through semi-structured interviews reveals that most companies are currently focused on compliance, with only a few demonstrating a strategic focus. This reflects the strong influence of institutional pressure, particularly legislative requirements. Challenges such as the complexity of the standards, the short implementation timeframe, the European focus of the regulation and the lack of established best practices have reinforced this compliance-oriented approach.

While internal strategic considerations, such as the desire to be positioned as a sustainable company, shape firms' adoption strategies, their influence is comparatively modest relative to regulatory drivers, resulting in a weaker overall impact.

The thesis further highlights that, although the CSRD drives certain organizational changes, it is not the sole determinant of corporate sustainability and overall strategy. Internal motivations, external market dynamics, and the broader regulatory landscape collectively shape corporate behavior. Specifically, growing pressure from investors and customers has emerged as a significant influence. Furthermore, geopolitical tensions represent an additional external factor, contributing to increased uncertainty and reducing the perceived urgency with which companies pursue sustainability initiatives.

The CSRD's most significant impact is on sustainability reporting practices, as it broadens the scope of disclosure through its expanded requirements. However, the directive's impact on corporate strategy remains limited, as no substantial strategic shifts have been observed. This can be attributed to many firms having already embedded sustainability within their strategy prior to the CSRD's introduction. Nevertheless, many corporations recognize potential strategic benefits linked to CSRD implementation. These include improvements in audit outcomes and ESG ratings, the opportunity to enhance internal processes, the discovery of new value drivers, and the ability to benchmark against industry peers. While firms have long pursued sustainability goals, the CSRD is being considered in strategic decision-making processes.

Moreover, adverse effects have been identified, particularly concerns about global competitive disadvantages given that non-EU companies are exempt from similar requirements. The allocation of resources to CSRD compliance may limit investment in innovations or other core business activities. Furthermore, the expanded disclosure requirements pose challenges related to protecting confidential information while simultaneously meeting disclosure requirements.

In essence, the study offers practical insights for managers of EU-based companies as they prepare for CSRD compliance, adapt to other sustainability regulations, or engage in voluntary disclosure. The results also support policymakers by identifying practical implementation challenges and highlighting areas for improvement to enhance the regulation's overall impact.

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8. Appendix

Appendix 1: Overview of interviewees

Interview ID	Position	Date	Company size ¹	Duration ²
I1	Senior Sustainability Manager	07.03.2025	10.000-15.000	28
I2	Head of Sustainability	10.03.2025	10.000-15.000	20
I3	Senior Sustainability Manager	11.03.2025	over 90.000	30
I4	Senior Sustainability Manager	12.03.2025	1.000-5.000	33
I5	Global Director Sustainability & Strategy	12.03.2025	1.000-5.000	26
I6	Senior Sustainability Manager	14.03.2025	10.000-15.000	22
I7	Senior Sustainability Manager	14.03.2025	1.000-5.000	25
I8	Global Head of Sustainability	18.03.2028	10.000-15.000	18
I9	Global Head of Sustainability	20.03.2025	over 90.000	25
I10	Senior Sustainability Manager	21.03.2025	1.000-5.000	21
I11	ESG Accounting Manager	25.03.2025	15.000-20.000	19
I12	Senior Sustainability Manager	27.03.2025	1.000-5.000	22
I13	Global Head of Sustainability	28.03.2025	1.000-5.000	30
I14	Senior Sustainability Manager	01.04.2025	5.000-10.000	23
I15	Senior Director ESG Reporting	02.04.2025	15.000-20.000	28
I16	Global Vice President Sustainability	02.04.2025	10.000-15.000	36

1: number of employees 2: in minutes

Appendix 2: Interview protocol

Topic	Questions
<i>1. Introduction</i>	
Q1	How familiar are you with the CSRD and how have you been involved in its implementation?
<i>2. Strategic Decision-Making</i>	
Q2	From your experience, how has the CSRD affected internal decision-making? What has influenced this approach?
Q3	Compared to previous years, has the attention to sustainability at executive or board level changed? If so, in what ways?
<i>3. Strategy & ESG Integration</i>	
Q4	How has the CSRD impacted [XXX company's] ESG strategy? What factors have influenced this approach?
Q5	How has the CSRD changed your sustainability practices, if at all, and why?
Q6	How has the CSRD influenced the company's corporate strategy? What factors could have influenced this approach?
Q7	To what extent, if at all, has the CSRD influenced the strategic priority of sustainability within your company?
Q8	What challenges did [XXX company] face in meeting CSRD requirements, and how did you address them?
Q9	What benefits has your company gained from the CSRD implementation process and why?
Q10	What were the main motivators of [XXX company]'s approach to CSRD implementation?
<i>4. Regulatory Uncertainty</i>	
Q11	Following the recent developments of the Commissions' proposal. How does the current discussion impact the role of sustainability in your company and why?
Q12	From a practitioner's perspective, what aspects of the CSRD could be improved?

Appendix 3: Final Data Structure

Interview ID	1st order concepts	2nd order themes	Aggregate dimension
I11	Breadth and granularity of data that the CSRD requires to disclose were the main challenges	Extensive workload paired with limited time, complexity and capacity constraints	Challenges related to CSRD implementation
I14	The amount of work and getting the e resources was a huge project		
I14	It's hard for companies to find the time and resources to actually understand the requirement says		
I14	Amount of KPIs and not having the capacity as a medium-sized listed company is challenge		
I8	Challenges with the complexity and inconsistency of the reporting framework made the process very labor-intensive		
I15	Immense magnitude of work and the coordination efforts and how deeply it is ingrained, and it sits within the organization.		
I1	CEO upset about high cost of CSRD compliance	High costs and perceived as bureaucratic burden	
I8	The CSRD lacks any materiality thresholds for data collection, which means collecting more data than just the essential. This situation makes it a bit absurd, as it's not only labor-intensive for us to track and document everything, but it also feels excessive		
I9	CEO said that the CSRD is a bureaucracy monster, due to its size and extent		
I15	Global operations in 60 manufacturing facilities across the world is not making implementation of a European perspective easy.	Implementing European standards in global operations perceived as a challenge	
I14	It's very hard to interpret the law and also sometimes we have a little bit of trouble with country specific criteria and we have also, of course, production sites in US or Asia.		
I16	We often encounter in regulatory matters that the European standard is always treated as a minimum benchmark, and that simply doesn't work.		
I9	So for us, one of the biggest challenges was that we are such a huge company and we have so many different stakeholders worldwide with		
I1	CEO does not think that CSRD is contributing to increased sustainability	Internal C-level resistance and	
I1	Criticism on CSRD-driven expansion of sustainability focus from a business perspective		
I1	Lack of perceived value leading to resistance against changes		

I1	No perceived broader benefits from CSRD, except for the learnings gained during the implementation process	lack of perceived business value	Competitive disadvantages associated with the CSRD	
I16	Internal challenge to sell CSRD as a value creator			
I16	Top management challenging the ambition in implementing CSRD			
I10	Learning and executing simultaneously was the biggest challenge	Lack of guidance or best-practice		
I14	Lack of guidance and time as key challenges			
I4	Unclear formulation of requirements			
I13	Transition plans require to find a balance between transparency and competitive confidentiality, which is extremely difficult	CSRD leads to international competitive disadvantages		
I15	Chinese or other competitors are not obliged to report in this way and the disclosure is providing ideas for other companies too			
I16	Strategic and efficient approach to disclose existing information, leverage and build on what is already available without putting us in competitive disadvantage compared to peers			
I9	CSRD transparency is a major competitive disadvantage, especially against non-EU competitors, like China who got more time to be more innovative.			
I13	Lack of standardized EU assurance practices gives a certain disadvantage to nordic companies and the different practices lead to colorful end results	Lack of standardization within EU leads to some firms being disadvantaged		
I9	There will not be a standard as every auditor will be auditing differently and every company will be publishing a CSRD report differently			
I14	Lack of guidance was just a huge burden to companies, leading to different companies having different approaches			
I13	Core goal of CSRD being comparability between companies, especially within sectors, disappearing because there will be no sectoral standards.	Consequences of the Omnibus proposal		ability
I16	There is a high likelihood that the rules will be simplified and that we have been reporting maybe one two years too much			
I2	We try to balance it, we really would like to see some simplifications out of the Omnibus process because, but we also try to make use of this, let's say tool, to show in a transparent way that we are responsible company and offering responsible products.			
I4	Regulatory uncertainty causes discussions about CSRD implementation due to monetary reasons			
I5	CSRD's impact on the climate crisis will be limited if SMEs will be excluded			
I5	CSRD risks becoming a bureaucratic and green marketing tool, undermining its original purpose			

I7	It really pulls back the pressure on companies that lack motivation, making the proposal a bit critical		External factors influencing corporate views and approaches to sustain
I9	Management underestimates ESG workload due to simplification proposal		
I1	So that's really a wider backlash we are experiencing now, underpinned, of course, by current politics. In this sense it also affects also the company as the urgency has reduced.	Global ESG backlash	
I15	Geopolitical factors influencing sustainability		
I15	And together with geopolitics, which start to bash also green and climate it makes it not easier		
I3	There's a lot of backlash towards sustainability. One hand coming from the american administration that hits the topic for obvious reasons.		
I5	With the Trump administration and a sudden withdrawal of the Paris agreement from the US, considering that China is not in it. I don't think that CSRD can make a big impact on the environment		
I3	Other EU regulations drive sustainability initiatives through funding opportunities and competitive reasons	Regulatory landscape	
I2	Increased regulatory initiatives by the EU		
I5	Companies must adapt to new legislation and invest to remain competitive and survive in the changing business landscape		
I14	Increasing stakeholder interest in sustainability integration beyond metrics, focusing on business model integration and opportunities	Stakeholder expectations & legitimacy	
I10	Companies who are willing to be transparent in their sustainability are the winners in the business in the end because if you recognize also the opportunities that the sustainability can bring you and report or tell those in a very transparent and open way. I think that it will raise interest also from our key stakeholders and customers and investors and so on.		
I4	Pessure from the outside so that more customers, more suppliers ask for different key figures.		
I5	Strategic priorities including sustainability are driven by customer expectations and legal requirements playing a key role in securing or losing business		
I13	I actually do think this forcing people to immerse themselves into these topics has been a pretty good way of launching it	CSRD as a driver	
I13	CSRD implementation fosters internal sustainability advocates		
I3	CSRD helpd create change and a sense of urgency		
I4	Materiality assessment forced to involve diverse stakeholders, which increased the attention to sustainability		
I13	Created a sustainability network in the company, also working quite closely together on other topics than the reporting.		

I10	Sustainability has really gained much more attention.	of change and sustainability awareness
I4	I think the topic of CO2 gains a lot through the CSRD	
I9	With any ESG reporting, often challenges come along, in terms of people not understanding the necessity of it or not really grasping that those are laws that we will have to meet and that we will have to fulfill. So that has changed with the CSRD.	
I13	CSRD as wake up call for organizational change	
I9	Pragmatism increased in terms of sustainability	
I9	Senior management unaware of the workload and opportunities of ESG, though CSRD has increased awareness.	
I10	We can deal the sustainable topics more structured way and make processes in a way more efficient.	CSRD gives sustainability an improved structure
I9	Identifying overlaps between internal activities and CSRD, with CSRD providing structure	
I8	Regarding the content and the objectives or actions, not at all. However, what the CSRD did was help us structure the strategy better and highlight more clearly what we do on the side.	
I14	It drive that systematic approach to all of the areas of sustainability.	
I15	CSRD as a catalyst for long-term strategic reflection on materiality, pnl impacts, and business purpose beyond reporting	
I16	CSRD not perceived as an administrative task, but fueling roadmaps and actions	
I2	CSRD recognized as a strategic business topic	
I3	Information required by CSRD is valuable for internal decision-making	
I7	CSRD is increasingly seen as a strategic tool, with its reporting framework offering valuable strategic insights	
I10	It is directing our decision making. Because, like, last year when, when we were just kind of trying to get familiar what other requirements and how are we able to implement those into our everyday activities.	
I12	Consideration of CSRD standards in the creation of new processes	
I12	Increased focus on CSRD in corporate strategy, with supervisory board involvement	
I13	Because if we want to be, let's say, a more sustainable company and all the benefits you get with that? Then we need to make decisions that are aligned with those kind of ambitions. And if we don't integrate this into the corporate process where the actual decisions are made. Then we're not making the right decisions, right?	

I15	We see reporting as an outflow, but also as an input	CSRD influencing decision-making
I15	We embedded as part of your strategic discussions. So really having double materiality serving as an input for our 2030 plan.	
I16	Reporting should not be an administrative burden, but it facilitated together with other streams that happen in the world right now it brings the right discussions at the table	
I7	We are currently developing a cycle from 2026, and the CSRD will influence the strategy process in terms of what information do we currently report, what key metrics are available, and how can we work towards improvements in the future.	
I7	CSRD influences key topics in strategy but is just one factor, complementing other considerations in the company's approach	
I12	Definitely an important, very important topic in the internal decision making. Since even in the standards itself it is mentioned that it's required also the inclusion of the supervisory board in the whole process, which means that it is an integral part now of the company processes.	
I2	Governance process increasing the awareness and the importance of sustainability and the discussions within the company.	
I9	CSRD played a big role in capacity planning, for sure. And it has impacted a lot of governance as well, as well as how we communicate.	
I14	Sustainability as a continued focus and business enabler, driving innovation and financial considerations.	
I16	It helped to drive the discussions and to question certain things and to put it on the agenda of strategic discussions.	
I16	CSRD helped to put it in another perspective, to look at it from another lens, to put the focus again on the material topic. It brought the attention back to the board and executive level and brought an insightful discussion on what do we want, what is our strategy.	
I4	Gap between CSRD's theoretical framework and practical corporate challenges, risking negative perceptions of sustainability	CSRD workload leads to internal sustainability backlash
I15	Requirements are too heavy compared to the strategic discussions you want to have	
I3	CSRD's burden and urgency led to internal backlash within companies	
I15	People and companies are having a reporting fatigue that they are not seeing the bigger picture	

I11	CSRD covering aspects of secondary importance but not changing overall strategy	
I12	CSRD compliance is time-consuming, costly, and diverts attention from sustainability priorities	
I4	Broad focus makes it harder to tackle key issues	CSRD workload leads to core sustainability issues and initiatives receiving less priority
I8	Excessive reporting requirements leading to frustration and declining acceptance of sustainability	
I9	No additional capacity for CSRD, leading to deprioritization of other tasks	
I1	Time constraints prevent changes in sustainability initiatives	
I1	Focus on profitable sustainability initiatives	
I14	Having to stop everything that you're doing and allocate all the time to CSRD	
I1	CSRD has an impact on our sustainability strategy that we are kind of forced to think longer.	
I1	It affected our communication of sustainability, but it does not affect our sustainability strategy in that sense.	
I1	CSRD does not affect sustainability strategy. It is in line with our business and these priorities are further driven by internal pressures and not CSRD	
I11	No major changes have been initiated due to the CSRD. We have had extensive sustainability practices in our key sustainability themes before the CSRD.	
I11	We have three pillars that have the highest priority and sustainability is among those three pillars and the priority of these pillars and changed.	
I5	I wouldn't say it has affected our sustainability strategy. It has affected our execution of reporting. And that's it.	
I5	No major changes in sustainability practices due to the CSRD as the other material issues, such as human rights in the supply chain, but we have mines in Africa that have supplies they have already. Been in the material issues, so no major changes there.	
I5	So for me CSRD is a reporting tool and nothing more. It's an important tool. It's probably going to act a little bit as a guide to smaller and small companies.	

I6	Sustainability has gained focus in decision-making, because for us it was more effort to do the analysis, but in terms of meaning or content, it was nothing new.
I6	Our sustainability strategy hasn't changed due to the introduction of the CSRD
I6	Sustainability has already been a high priority topic for us, which is why the CSRD hasn't affected this.
I8	Limited innovation potential due to specific product range and business model
I8	CSRD hasn't affected priority of sustainability
I8	The topic of sustainability has been a strategic priority before that, so that hasn't changed.
I12	Our company has a very solid ground on sustainability. It has developed these strategies since maybe ten years, so our company already had a sustainability strategy, and now it's getting deeper based on what we are required from the regulation.
I12	We are just reobserving everything as our sustainability strategy has been in place for some time now
I13	Our strategy was already in pretty good shape when this reporting came.
I13	Something we actually were forced to do that we didn't do before is to build a very concrete, circular economy strategy for the company.
I14	I can speak for our company so for us we are actually updating our sustainability strategy.
I16	Refocus strategies without fundamental changes.
I2	It has depend the strategy process because the sustainability strategy has for now focused on key issues. And what is, I think, new, or a good point with CSRD is that you are asked to come up with a detailed strategy with targets which can be measured.
I3	And besides that there is the KPIs, which basically didn't have any biodiversity KPIs in the past. So CSRD pushed us to do something of the sort, at least to start thinking about it internally.
I3	It kind of brought those topics that were not discussed before to at least the lowest level of importance, but I wouldn't say that the strategy has changed because of those less important topics.
I4	We had our focus topics in the strategy, also before the CSRD was implemented in detail in the company. So, we had these core issues, but the CSRD led to many topics, which are now covered in more detail

CSRD-driven effects on the sustainability strategy

Impact on corporate sustainability and its integration into core business

I6	What the CSRD has perhaps brought even more to the front is really the topic of social	
I7	Sustainability strategy emphasizing environmental aspects with a limited focus social on social issues; CSRD helps drive progress in social sustainability.	
I7	Generally sustainability has been a topic, but I would say the breadth and complexity have changed. The social aspect now includes more than just our own employees, and that has shifted	
I1	The CSRD requires us to set 2030 targets, so that's definitely something that comes out of CSRD.	Effects on target setting driven by CSRD
I11	The strategy wasn't really affected much by the CSRD, but it made us think twice about our targets.	
I3	I think that one thing that's interesting is the target section in the CSRD. There are certain areas of sustainability where companies didn't really aim to achieve anything. But the fact that there is a target, it's forcing companies to have some kind of target to share externally.	
I4	Also the CSRD, maybe it brought this final push that you have to implement sustainability targets in your company.	
I5	It has impacted on some target setting.	
I9	CSRD does have certain rules where you will have to set certain targets, and you will have to be more careful when it comes to certain things.	
I1	The increased level of transparency lead to a abandoned target as data issues would have led to assurance struggles.	
I1	But there's a slight risk of a negative impact from CSRD	
I3	But also it created a lot of hesitations over what would be disclosed. In some cases, preferring not to disclose something that they're not entirely sure of or don't have enough proof to discuss versus just disclosing it.	
I12	Even corporate level departments are now aware, they are familiar with the standards, and they are aware of what they need to disclose and how things need to be adopted for the future	
I14	So I would say it's not something that you can kind of do as a tick box exercise, but it's more about introducing sustainability as a whole throughout the company operations.	
I14	At its core, I think CSRD is really trying to push sustainability throughout the company operations and operating models.	
I16	CSRD as a company-wide focus, driven by cooperation needs and executive liability concerns, elevating non-financials to the same level as financial.	
I16	Avoid silo-thinking and embed sustainability into business processes not only for the reporting sake	
I3	CSRD harmonizes global policies	

I4	CSRD increases the presence of sustainability in companies by requiring more data collection and broader involvement	Embedding sustainability across departments
I4	Sustainability is more connected to every area in the company, because when we want to achieve sustainability goals, of course, we have to work with every area. And every area or department is a touchpoint or get in touch with the topic of sustainability	
I4	CSRD's broad impact engages every department in discussions about KPIs and long-term sustainability goals	
I4	It went over to this: Yeah, it's also part of our daily business.	
I7	Sustainability has shifted from being mainly an environmental focus to a fully integrated corporate-wide effort, with increased engagement and responsibility at all levels	
I9	Whereas now, with CSRD they have to be involved. And we really try to take that as an example for the next few years coming	
I13	I think the bits and pieces were there already, but this gave an extra push for the integration of certain topics into the business processes	
I13	The CSRD requirements are already giving you the sentiment that sustainability needs to be integrated into the most important business processes	Governance Adjustments
I10	The responsibility more and we have got our finance and accounting team very highly involved in the process. So last year we were kind of building the cooperation, very tight cooperation between finance and then sustainability.	
I7	Sustainability was previously product-focused, with limited company-wide integration and the responsibility was at the CEO after CSRD, the CFO got responsibilities too.	
I10	Well, first of all, after the first implementation year, so after 2024, now the ESG reporting has been translocated to our finance account unit.	
I10	In the beginning of 1 January sustainability unit was implemented or we are at the moment having a new strategy and sustainability unit, so now it's relocated sustainability also in the organization next to strategy	
I10	Sustainability integrated into strategy through organizational changes and structural adjustments	
I13	A very concrete change in our company was that previously I was responsible for the reporting, but from this year onwards, our finance and accounting function is responsible	

I13	Integration of sustainability strategy, so that it's not detached from the business strategy. So that's maybe something also but hard to say if it specifically CSRD that has pushed us in that direction.	Higher Management Involvement
I13	A lot of work, and we had, at the same time during the year, we also had this tool integration	
I16	Introduction of new role bridging sustainability and finance	
I9	Then we are introducing a completely new reporting tool that we'll need to meet the CSRD standard.	
I1	We had very intense discussions with our audit firm kind of like do we have to report about biodiversity? Is biodiversity a material topic and this discussion was really led on C-level.	
I2	Top management discussions to raise awareness of CSRD as a strategic management tool	
I1	C-level discussions due to compliance pressure	
I10	And also from that perspective, like we were all time reported for our audit committee and also to board our progress in the CSRD and so on. So very much visibility to higher management. Much more than before the CSRD.	
I11	CSRD expanding board-level discussions and involvement in sustainability to a small degree	
I14	Higher board awareness to sustainability	
I3	The main thing that changed is that senior stakeholders are far more involved and concerned about publication, especially that all of this information has to be audited. So I think the audit part and the accountability part kind of played a role in making them forcing them to become more involved	
I3	I mean, these are things that some things, like biodiversity. The C-level had never heard about it before. It's not really on their radar.	
I4	So, reah really because of things like the materiality analysis, the board is deeper in the topic of sustainability, of course, and also because of the CSRD and the restrictions, which comes from the law.	
I4	It has also high priority in the board because you can't say anymore that you want to be a sustainable company, and then you don't have the sustainability report or you fail through the audit. It wouldn't make sense, and it wouldn't be a good signal to the stakeholders	
I5	CSRD has increased pressure and expectations from board level to execution level in sustainability reporting	
I7	Board's involvement has increased, with a clear focus on reporting sustainability progress under CSRD	

I8	Increased board-level attention on sustainability due to ESRS standards		
I9	And if attention has increased, then it was only for reporting needs being increased and becoming more. So I feel like that, especially at board level people become more annoyed by ESG.		
I14	In some ways the CSRD has provided that visibility to the management level, but I would say that it's rather the customer demand or investor demand.		
I1	No impact of CSRD on corporate strategy	No major impact, as sustainability was already integrated into corporate strategy	
I11	Sustainability being a key pillar of the corporate strategy, unaffected by CSRD		
I5	CSRD hasn't affected internal decision-making because it reflects the sustainability topics that we have been addressing for over a decade.		
I6	Sustainability has been an integral part of the strategy department even before CSRD		
I8	Sustainability already integrated into corporate strategy before CSRD		
I1	Sustainability approach and ambition not driven by CSRD. I really think this is disconnected.		
I5	CSRD impacts only reporting, continuing existing efforts to ensure transparency and prevent greenwashing, allowing stakeholders to see actions		Greater transparency due to broader disclosure requirements
I1	From a societal perspective the CSRD-driven transparency has a value		
I1	Investors are the main stakeholders benefiting from CSRD		
I13	Stakeholder engagement in the DMA process		
I2	CSRD increases transparency		
I2	Especially to look beyond your corporate scope and also to look more into your value chain, upstream and downstream value chain. I think this focus becomes now clearer and more important		
I4	CSRD increases focus on whole value chain		
I6	Today's regulations are significantly more extensive		
I13	So that has definitely changed the amount of reporting on the biodiversity side complete revolution more or less on that side		
I1	And for us as a company, it definitely kind of affects how we communicate about sustainability		
I1	Rigid structure of CSRD limits content of sustainability communication		
I1	CSRD wants to be very transparent, but makes it harder, to convey this message.		
I1	CSRD makes communication and reporting a compliance exercise		

sustainability reporting and communication

I1	We might end up with a second communication piece during the year, which is more of kind of the old style sustainability report, where you are kind of free to prioritize and communicate what you want to communicate	Under CSRD, companies have less control over reporting topics	Impact on :
I13	CSRD hasn't really changed a lot, except for the reporting practices.		
I3	CSRD expanded the scope of disclosure and removes the choice of content to report		
I3	Companies don't want to disclose unless it offers business value		
I5	CSRD shifts reporting style from narrative to detailed		
I5	CSRD requires a different approach to sustainability reporting, but no changes in strategic thinking, decision-making or investments		
I1	CSRD influences internal discussions by shifting from company narratives to analyst interests		
I5	Legal obligation, stakeholder expectations and competitive positioning are driving CSRD adoption	CSRD aligned reporting used to communicate competitive positioning for improved reputation	
I10	If you recognize also the opportunities that the sustainability can bring and report or tell those in a very transparent and open way. I think that it will raise interest also from our key stakeholders and customers and investors		
I12	CSRD increases transparency for investors and stakeholders, aligning with core values and demonstrating effective risk management.		
I6	Strategic positioning as an advantage		
I4	CSRD and sustainability reports can be used to position the company as sustainability and showcase the commitment in a transparent way		
I11	Discussions on sustainability targets comparing to other companies	CSRD used to benchmark against competitors	
I11	CSRD increasing transparency, awareness of sustainability topics, data collection reliability and comparability with peers		
I14	Comparative analysis of industry peers' reporting and sustainability practices		
I16	Benchmark within industry competitors		
I10	CSRD helping to identify both strengths and weaknesses in sustainability efforts that can be used to improve future activities		
I7	Efforts to comply with CSRD have revealed gaps, as previous focus was primarily on tackling Scope 1 and 2 carbon emissions		
I9	CSRD was also a big chance for us or is also a big chance, because we do identify gaps on a rolling basis that we weren't aware of before		

I9	Identifying gaps and then filling those gaps with actual efficiency measures, projects, et cetera, but apart from our departments and colleagues within the ESG community, it is not even seen as a reporting tool, it's seen as a reporting need and necessity	Identifying gaps, opportunities and risks
I10	But then, for example, circularity and what is our role in circular business was something that we really needed to focus and build last year and that is also one of our business drivers.	
I12	Shift in strategic focus to risk perspective and reobserving processes driven by CSRD	
I12	Adapting risk assessment to be CSRD compliant	
I13	Using the DMA as a strategic tool and understand especially the opportunity side	
I13	Strategic and risk integration rehearsal	
I13	CSRD encouraged critical examination of company mantras	
I14	Deeper analysis of organizational impacts and dependencies	
I14	Sustainability risks embedded into risk processes and translated to financial risks	
I14	Identifying and seizing sustainability-driven business opportunities and innovation	
I14	It's a tool to look at where your gaps are	
I14	it's quite kind of easy way of helping management understand where we are, where we have the gaps	
I15	We also see CSRD as something positive in the sense that we have a better grip on our data, on the processes, on how we collect. It's helping us to get further insights and to build on these insights to drive actions.	
I15	We also did a gap analysis. How far are we? Some things. We saw. Okay, here we need to put the target here, we need to further strengthen, so it further, not improved, but we put further nuances.	
I16	CSRD brings strategic value by enabling focused identification of impact areas, opportunities, and risks	
I10	CSRD has encouraged a data- driven approach, leading to efficient processes and improved focus	
I13	Strategic and risk integration rehearsal	
I5	The expectation is to improve sustainability audits, ESG ratings, and overall public face by aligning with CSRD standard	
I14	There is the kind of hope that this will then help us with the ESG ratings as well	

Strategic benefits associated with the CSRD

I9	Identifying gaps through CSRD to introduce energy efficiency measures, innovative materials, improve ESG ratings and chance to get SBTi validated	Improved ESG ratings, certifications and audits	Two approaches to CSRD: compliance-oriented and strategic focus
I1	Pure compliance approach due to CSRD challenges and top management's disagreement		
I11	Compliance as a primary driver for CSRD implementation, with a secondary focus on showcasing advanced practices		
I3	Compliance and reputation are main drivers of CSRD approach	Compliance-oriented	
I4	CSRD adoption driven by regulatory compliance, strategic positioning and risk mitigation of reputational damage		
I14	First year report focusing on disclosing		
I14	First year report used to showcase practices, but going forward thinking about risk mitigation and governance processes		
I7	Scale of issues, effort and resources have been overwhelming, leading the Executive Board to prioritize compliance over ambitious sustainability goals.		
I7	Few significant changes have been made as the focus is on implementing existing requirements and understanding how to adapt to the ESRS		
I7	The current ambition level was essentially about compliance		
I9	ESG strategic priority focused on meeting CSRD requirements and passing the audit		
I8	Focus on compliance without strategic or operational changes		
I9	Compliance main motivation		
I14	Regulatory requirement, but customers and investors demand also motivated CSRD implementation		
I16	From the beginning, we want to be smart followers and not front runners		
I12	Leveraging CSRD insights to go beyond minimum compliance		
I10	We tried to make it beyond compliance exercise, and that's what we are all the time trying to see and what is, in a way, my challenge all the time that I need to try to turn this in a value creating project		
I13	Well from the beginning we wanted to do this as strategically as possible. So kind of at least start with doing the DMA as well as possible, that may be meaning more in detail. We wanted to really understand or use it as a strategic tool understand, especially the opportunity side		