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ACCOUNTING FOR TRANSPARENCY

PRESS RELEASE

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Technical contact person
Prof. Dr. Thorsten Sellhorn
LMU Munich
Email: sellhorn@lmu.de
Mobile: +49170 56 39 777

CSRD matters: Sustainability reporting by major European companies is converging to a common standard, becoming more aligned with financial reporting. However, some shortcomings and differences remain.

First study analyzes the impact of the CSRD on EuroStoxx 50 sustainability reporting.

Sustainability reporting has come of age: The first CSRD-compliant reports show a clear step forward with more structure, substance, and standardization. This is evidenced by a recent analysis of around 50 EuroStoxx reports from the year 2024, comparing them to the previous year.

Five key findings regarding the EuroStoxx 50 reports:

1. Sustainability reporting is becoming more like financial reporting—both in form and content. Reports are increasingly following a common structure, use more tables and fewer images. The language is becoming more standardized and technical—a sign of growing professionalism.

2. Sustainability reports are becoming longer—but not for everyone. On average, the length of reports by EuroStoxx companies has increased by 16% to around 154 pages, with word count rising by 24%. The increase is driven by companies with previously shorter reports catching up, while those with longer, separate 2023 reports now condense their information when integrating it into the annual report. Sustainability reporting is converging toward a common ground.

3. ESG topics are covered more broadly—with notable gaps. Nearly all firms disclose about climate change (E1), own workforce (S1), and business conduct (G1). Less attention is given to affected communities (S3) and biodiversity (E4)—despite their relevance in many global supply chains. Disclosure volume rises, on average, across all ESRS topics. However, we find notable variation across firms in terms of disclosure requirements complied with per ESRS.

4. Materiality analysis remains a black box. The double materiality assessment (DMA) defines what to report — yet companies differ in their implementation, for example in their use of quantitative thresholds. As a result, companies in the same industry may classify different topics as material and report on them with differing levels of depth.

5. Voluntary disclosures show ambition—but also caution. Some companies are already disclosing on topics that will only become mandatory later—such as value chains or company-specific issues. Other transitional provisions are being widely used, for example regarding the expected financial impacts of environmental issues.

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Conclusion: The 2024 ESRS statements are less promotional and more analytical, on average, than the 2023 reports. Language is more technical, visuals are reduced, and narratives follow stricter data-driven logic. In tone and format, sustainability reporting is aligning more closely with financial reporting. ESG information is no longer a communication tool alone—it's becoming a decision-relevant component of corporate accountability. The full studies will be published on April 25, 2025, at: www.sustainabilityreportingnavigator.com.

Background information

The Sustainability Reporting Navigator is an open science platform that makes sustainability reporting accessible to companies and stakeholders. The platform is part of the Collaborative Research Center TRR 266 Accounting for Transparency and is jointly operated and developed by Goethe University Frankfurt, the University of Cologne and the LMU Munich.

The Collaborative Research Centre (CRC) "TRR 266 Accounting for Transparency" was established in July 2019. In May 2023 the German Research Foundation (Deutsche Forschungsgemeinschaft, DFG) decided to extend the project for four more years. It is the first CRC with a business administration focus. The CRC includes around 100 researchers from eight different colleges and universities: Paderborn University (lead university), Humboldt University of Berlin, University of Mannheim, Ludwig-Maximilians University Munich, Frankfurt School of Finance & Management, Goethe University Frankfurt, University of Cologne and Leibniz University Hannover. The researchers study how accounting and taxation affect firm and regulatory transparency and how regulation and transparency impact our economy and society." The funding volume for the CRC is around 18 million euros.