

Dumitru, Mădălina

Article

Sustainability reporting: Catalyst for organizational and professional change

Amfiteatru Economic

Provided in Cooperation with:

The Bucharest University of Economic Studies

Suggested Citation: Dumitru, Mădălina (2025) : Sustainability reporting: Catalyst for organizational and professional change, Amfiteatru Economic, ISSN 2247-9104, The Bucharest University of Economic Studies, Bucharest, Vol. 27, Iss. 70, pp. 722-729, <https://doi.org/10.24818/EA/2025/70/722>

This Version is available at:

<https://hdl.handle.net/10419/328017>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by/4.0/>

SUSTAINABILITY REPORTING: CATALYST FOR ORGANISATIONAL AND PROFESSIONAL CHANGE

Please cite this article as:

Dumitru, M., 2025. Sustainability Reporting: Catalyst for Organisational and Professional Change. *Amfiteatru Economic*, 27(70), pp. 722-728.

DOI: <https://doi.org/10.24818/EA/2025/70/722>

Organisations, regulators, the professions and education institutions need to address the grand challenge of sustainable development. While voluntary initiatives have proven their benefits, but also their limitations, we now witness an increase in the number of regulatory initiatives on sustainability, particularly at the EU level. Thus, in 2022, the Corporate Sustainability Reporting Directive (CSRD) was issued as part of the European “Green Deal” (amending and supplementing previous non-financial reporting requirements), with applicability from January 1, 2024 (along with the European Sustainability Reporting Standards). This Directive has emerged in parallel with other initiatives in the area of sustainability reporting (such as Sustainable Development Goals – SDGs, Taxonomy).

Although the regulations focus on corporate reporting, in general, their objective is to drive organisations towards transparent and relevant reporting from the point of view of a variety of stakeholders, towards more sustainable production and business processes. Conceived as an external reporting regulation, CSRD inevitably has consequences for internal reporting, organisational strategy and processes in order to generate, collect, analyse and present the necessary information. As such, this regulation constrains and changes organisational policies and procedures, products and services, professions, and ultimately externally reported information. It is estimated that up to half of the global workforce will be affected by changes related to sustainability, which implies significant adjustments in organisations, management practices, changes in education to develop the necessary skills. Most companies approach CSRD implementation as a multi-departmental effort (sustainability, accounting, finance, procurement, IT, etc.). Sustainability reporting therefore becomes on the one hand a team effort (with its challenges), but also a new field that can be attached to existing professions (e.g. accounting profession) or lead to the creation of new professions (e.g. sustainability manager). Entities can be expected to face a multitude of challenges in implementing CSRD, such as data availability and quality, value chain complexity, staff time and knowledge, deadlines, technology, costs, interaction with other regulations, and management involvement. Moreover, the experience with previous non-financial reporting requirements shows the difficulties faced by organisations, as well as the impact of different institutional actors (government, investors, professional bodies, consultants, academia, etc.) and factors (culture, legal framework, etc.) on how and to what extent companies change and incorporate these requirements.

Number 70/2025 of the journal *Amfiteatru Economic* includes original papers, with a strong practice relevance, using different research paradigms and methodologies. In this regard, the papers address issues such as the effect of sustainability reporting on the financial indicators reported by companies, professional change to cover sustainability

issues, challenges posed by CSRD in practice, intended and unintended consequences (on markets, society, organisations) of sustainability reporting requirements, sustainability reporting in specific areas, such as banking.

The primary goal of companies subject to CSRD is to make a profit. Therefore, the first group of articles included in this issue addresses the effect of sustainability reporting on indicators reported by companies. The article **“Environmental Reporting, Financial Fundamentals, and Company Valuation: Insights from the Industrial Sector”** analyses 494 EU publicly traded companies between 2020 and 2023 using a Random Forest regression model. Although traditional financial variables consistently outperform environmental indicators in explaining market valuation, the results indicate a growing investor interest in the effectiveness of environmental policies rather than their mere presence, highlighting the strategic importance of integrating measurable environmental performance into company valuation frameworks. The study contributes to the literature by exploring environmental policies, their quality, and financial indicators in relation to companies’ market value.

The article **“The Evaluation of the Relationship Between the Companies’ Sustainability Reporting and Their Financial Performance”** statistically analyses the financial information extracted from the financial reports of 67 companies listed on the Bucharest Stock Exchange for the period 2020-2022. An aggregate ESG disclosure score was constructed based on information from sustainability reports, management reports, or company websites. The results showed that a higher ESG disclosure index score is correlated with increased economic and financial performance of companies and increased earnings per share, but does not have a significant impact on the growth of companies’ market value. Companies that integrate sustainability into their business strategy and communicate it effectively are perceived by investors as better prepared for future risks and opportunities, leading investors to shift toward sustainable and socially responsible investments, with effects on achieving better financial performance for them.

The paper **“The Influence of Sustainability Reporting on the Profitability of Listed Companies in the European Union”** aims to identify the indicator (i.e., the combined ESG score and its components, environmental, social, and governance) with the greatest impact on the profitability of EU companies, measured by the Return on Assets (ROA) and Earnings Before Interests and Taxes (EBIT). The sample consists of 432 companies from 18 EU member states, and the period under analysis is 2014-2023. The statistical analysis represented by multiple linear regression models applied to panel data showed that the factor with the most significant impact on ROA is the social pillar, while for the EBIT, the factor with the greatest impact was shown to be the combined ESG score. Thus, it is demonstrated that although sustainability reporting is a complex process and involves effort for companies, it also generates added value by creating medium- and long-term financial performance and confirming the estimated positive effects of CSRD. The study contributes to the ESG literature by bringing together companies from developed and emerging EU economies, using the EBIT indicator to test the influence of the ESG score and its components on profitability.

Another group of articles refers to the professional change needed to cover sustainability issues. The article **“Stakeholder Influence in Shaping the Role of Accountants in Sustainability Reporting in Romania”** was framed within the theory of the field,

capturing the interaction of different forces, and used an exploratory research methodology. The data was collected from semi-structured interviews with professionals with direct experience in sustainability reporting and in the accounting profession in Romania. The results showed low interaction and responsiveness from the state (as a provider of legitimacy) and greater involvement from universities and professional accounting organisations (as providers of awareness) and consultants, Big 4 firms, and, in some cases, employers (as providers of resources). The study contributes to two lines of research: the one investigating the role of the accounting profession in the sustainability reporting and the one analysing the hierarchy and the influence of different actors in domains in general.

To highlight the contribution of academia in shaping the skills required by the labour market, the authors of the study **“Accounting Education and Sustainability Reporting Among Prestigious European Universities”** aimed to analyse the main aspects of sustainable development included in accounting curricula. The sample consisted of 26 universities, from which the content of 157 course descriptions for bachelor’s or master’s programs was analysed. The results of the study indicate the formation of an extensive framework of sustainability elements included in accounting education, with technical aspects predominating over social and ethical ones. Sustainability reporting is the central element studied by the students in accounting in the field of sustainable development. The proposed framework is a model for other universities, encouraging the emergence of mimetic factors in the updating of accounting education.

Remaining in the academic environment, the article **“Educating Accountants with a Sustainability-Oriented Professional Identity in Central and Eastern Europe”** investigated the role that universities can play in this regard. A total of 713 responses collected through a survey administered to future accountants in nine countries in Central and Eastern Europe were statistically processed (through principal component analysis and cluster analysis). The results showed that, alongside other stakeholders and social and institutional factors, universities play a significant role in increasing future accountants’ interest in sustainability issues. Exposure to sustainability-related activities also contributes to shaping this new identity of future accountants, along with other factors that favour education, which should encourage universities to open their study programmes to such issues.

The next group of articles explored the challenges posed by CSRD in practice. Motivated by the short period of time that entities in Europe have to implement CSRD, the article **“Empirical Insights Regarding Romanian Companies’ Preparedness for CSRD”** aims, on the one hand, to investigate the level of readiness in the run-up to CSRD implementation (2020-2023) and the associated organisational concerns, and on the other hand, to identify the factors that significantly influence sustainability reporting at the level of 37 Romanian companies. Data on sustainability reporting was collected manually, while financial data was taken from the Orbis platform. The research methods applied were content analysis, which formed the basis for constructing an original composite score, and panel regression analysis. The research results revealed that over 60% of the companies analysed managed to report, to a significant extent, the elements required by the CSRD, but certain aspects, such as limited external assurance of reports and double materiality analysis, remain challenges. The factors that play an important role in sustainability reporting are regulations, profitability, and company size, but also the involvement of a team in preparing the report, a result that reinforces the contribution of the research.

Using a sample of the 500 most sustainable companies according to TIME's ranking, the paper **"Beyond Compliance: Multi-Dimensional Text Mining Analysis of Corporate Sustainability Reporting"** examines how organisations respond to CSRD requirements through systematic analysis of corporate communications and sustainability reports. A multidimensional text mining analysis was performed for 500 companies in 12 sectors, using lexical analysis, sentiment analysis, and network analysis on sustainability reports (2022-2024) and corporate communications (1200 documents). Three different organisational response patterns were identified. Three different organisational response models were identified: compliance-oriented positioning (35%), transformation-oriented positioning (42%), and value creation-oriented positioning (23%). Service companies express positive sentiments (+0.67) about CSRD implementation, while resource-intensive companies express negative sentiments (-0.14). The cross-country analysis highlights the existence of different national approaches, reflecting the institutional context. The study's contribution lies in the first large-scale text mining analysis of responses to CSRD implementation, providing empirical evidence of heterogeneous organisational approaches to sustainability reporting beyond simple compliance frameworks.

To reach the objective of the article **"Navigating Uncertainty in Sustainability Assurance: Challenges of the Corporate Sustainability Reporting Directive in Romania and Austria"**, auditors' perceptions of legal uncertainties, the integration of financial and sustainability reports, and the need for additional resources and skills were explored through a survey. The results indicated that auditors who had already provided such services were better informed about the implementation of the CSRD. Country-specific variations were identified to a small extent. Legal uncertainties and the need for technical expertise were highlighted as major challenges. The study contributes to the literature with an overview of the current state of the process of ensuring sustainability reporting in the context of the CSRD and by including the perspectives of both Big4 and non-Big4 audit firms in the discussion.

CSRD introduces the concept of double materiality (from the company to the outside world and vice versa) to determine the information to be included in sustainability reports. The aim of the article **"Double Materiality in Sustainability Reporting: Revealing ESG-SDGs Connections for Businesses' Awareness"** is to investigate this concept from the perspective of companies and society. Through the lens of stakeholder, legitimacy, and institutional theories, the paper explores how ESG policies and practices (financial significance) in business strategy can be related to SDG prioritisation initiatives (impact significance). Data is collected from the Refinitiv Eikon database for non-financial companies for the period 2015-2024. Parametric and non-parametric tests for mean differences, correlation analysis, and robust fixed-effects regressions were used. The results indicate significant differences in financial and impact significance for EU companies compared to non-EU companies. Prioritising SDGs as a whole, but also separately for environmental, social, and governance issues, has a mixed impact on ESG policies and practices. It can ensure a balance between the divergent interests of managers, investors, and other stakeholders. The study contributes academically and practically to the decision to integrate the SDGs to increase awareness of sustainability reporting requirements in the business environment.

Sustainability reporting requirements can have intended and unintended consequences for markets, society, and organisations. For organisations, implementing this type of reporting can lead to a change in the style of report writing. The study **"Organisational**

Metamorphosis: Tracing Sustainability Integration Through Sentiment Evolution in Corporate Reporting in Turkish Companies” examines the sentiment evolution (as an indicator of organisational change) in companies’ sustainability reports between 2014 and 2023. Sentiment analysis and linguistic pattern recognition analysis were performed on a longitudinal sample of sustainability reports for three distinct regulatory periods. By comparing tone and language over time, the study examines how companies adapt their sustainability communication strategies as institutional pressures increase. The research draws on theories of organisational change and models of regulatory response and shows the extent to which increased reporting requirements and global standards have led to substantial changes in corporate narrative, or merely superficial compliance. The analysis indicates significant changes in sentiment over time, with a trend toward increased optimism and assertiveness in the presentation of sustainability issues. The results suggest a gradual internalisation of sustainability principles, reflecting efforts at organisational learning and strategic legitimisation. The results contribute to the literature by connecting trends in text sentiment with the dynamics of institutional change.

The following papers examine the link between sustainability reporting and macroeconomic issues. The article **“ESG Reporting and Systemic Risk: Evidence from European Markets”** proposes a new indicator of ESG reporting quality that integrates dimensions such as transparency, controversy, and disclosure breadth. Using daily data on the returns of companies included in the STOXX Europe 600 index for the period 2010-2023, systemic risk was assessed through conditional value-at-risk differentials, capturing each firm’s contribution to the vulnerabilities of the financial system as a whole. Companies were classified annually into high and low ESG reporting quality categories, and the average contributions to systemic risk between these groups were compared. Statistical tests revealed that firms in the top quartile of the index had significantly lower contributions to systemic risk than those in the bottom quartile, especially during periods of market stress, such as the COVID-19 crisis or the invasion of Ukraine. This risk-reducing effect was most pronounced at the top of the risk distribution. The study’s contribution to the literature lies in shifting the focus from traditional ESG scores to the quality of reporting, highlighting the concrete impact of credible disclosures on systemic financial stability.

An important factor in implementing sustainability reporting requirements is the availability of the necessary tools. The article **“Integrating Digital Technologies to Enhance ESG Performance: A Focus on Central and Eastern European Countries”** quantified the digital technology integration by a component of the digital economy and society index for the Central and Eastern European countries over the last 11 years. By applying panel data modelling techniques, it was found that technological progress improves operational efficiency, stimulates green innovation, contributes to increased carbon efficiency, and optimises energy performance. The research contributes to a deeper theoretical understanding of the relationship between digitalisation and ESG performance, while also offering practical insights to strengthen sustainability in Central and Eastern European countries.

The paper **“Sustainability Reporting in the EU-27: The Impact of National ESG Ecosystems and Organisational Implications”** analyses the national context that influences corporate sustainability reporting, emphasising the interaction between ESG macroeconomic conditions and economic performance, along with firm-level disclosures required by frameworks such as CSRD. The originality of the study lies in the direct

assessment of national ESG-economic ecosystems on the preparedness of states for sustainability reporting under CSRD. A macroeconomic analysis of the EU-27 member states was performed using key ESG and the economic indicators, and principal component analysis generated a composite index of national performance. In addition, K-means clustering revealed distinct regional profiles, reflecting key differences in ESG-economic metrics. The results indicate that countries with strong macroeconomic indicators create environments that facilitate the adoption of advanced reporting methods, while countries facing economic and institutional challenges can benefit from targeted interventions to improve transparency and compliance.

The next group of articles addresses sustainability reporting in specific areas, such as banking. The objective of the article **“Adaptation of Banks to Sustainability Requirements and Impact on Their Financial Performance”** is to establish the correlation between a series of indicators that measure ESG performance and the financial performance of banks. The research is based on an econometric analysis applied to a sample of 76 banks in Europe for the period 2020-2023. The information (financial indicators and ESG scores reported by banks) was collected from the LSEG Refinitiv Eikon database. The results indicate a significant relationship between the financial performance of European banks and ESG factors, highlighting a negative correlation between return on assets and governance score, as well as a positive influence of the ESG score on return on equity. The research provides information for decision-makers, investors, and regulators who want to integrate sustainability into banking practices.

Also in the banking sector, but with a sample of banks in Romania, the article **“Sustainability Reporting and Credit Risk Management in the Romanian Banking Landscape”** analyses the association between SDG reporting and the behaviour of banks in Romania, focusing on the relationship between SDG disclosure scores and credit risk management practices, measured by the level of expected credit loss adjustments. The study combines content analysis with fixed-effects regressions. The results highlight a positive and significant relationship between the level of SDG reporting and expected credit loss adjustments, suggesting that banks actively involved in sustainability reporting tend to support the financing of emerging sectors, thus exposing themselves to higher credit risk. However, banks appear to mitigate this risk through sound governance practices. The research contributes to the literature by calculating disclosure scores tailored to the banking sector and by assessing the relationship between SDG reporting and credit risk.

Using qualitative analysis of data and responses collected through a survey, the results of the article **“Good Practices in Sustainability Reporting. Evidence from the Romanian Banking Sector”** shows that less than half of Romanian banks (which account for about 80% of credit institutions’ net assets) publish annual sustainability reports in line with international reporting standards. The published information includes best practices on carbon footprint reduction measures, sustainability governance, environmental risk management, and green financing. The survey results reveal that, although green loans offer several advantages, green financing in Romania faces obstacles, including those related to additional reporting costs. The article contributes to a better understanding and awareness of the real limitations in sustainability reporting and supports the development of coherent measures to help banks improve the way they communicate information to the public.

Another area covered in this issue of *Amfiteatru Economic* was sport. The article “**Sport and Sustainability Reporting: Assessing the Readiness of Sports Clubs in the Balkans**” aims to assess the impact of financial capacity, digitisation, managerial characteristics, administrative complexity, and external collaborations on the likelihood of adopting CSRD. Using an Ordered Logit Model (OLM) applied to data from 163 sports clubs, the research provides empirical evidence on the obstacles and enabling factors for sustainability reporting. The results showed that financial resources, digitalisation, and external partnerships support compliance with CSRD, while administrative complexity has no significant impact. Professional clubs demonstrated greater awareness of the importance of the directive, but the type of club did not influence the level of resources or training. The study contributes to the formulation of policies adapted to the realities of sports.

The research included in the thematic section of the journal contributes to the development of literature in the field of sustainability reporting through relevant research questions, diverse topics, data sources, national contexts, and research methodologies. By addressing different facets of reporting, issue 70 of *Amfiteatru Economic* creates a complete picture of the current state of sustainability reporting.

Professor Mădălina Dumitru, Ph.D. Habil.
Associate Editor, *Amfiteatru Economic*