

February 2025

Corporate Sustainability Reporting Directive (CSRD)

*The first 20 compliant
Sustainability Statements*



✦ A Positive Change Company

CSRD: The first 20 compliant Sustainability Statements

With the CSRD now in effect, the first compliant reports have been published. Drawing on our deep expertise in corporate reporting and regulatory compliance, we have analysed the first 20 Sustainability Statements, all published by Danish companies. We have identified key trends in structure, format, and content—insights shaped by the questions we regularly address with clients. This research will evolve as more reports are released.

STANDARDS AND LENGTH

How long are the CSRD-compliant Sustainability Statements?

On average the first 20 Sustainability Statements are 66 pages long, ranging from 43 to 105 pages. ESRS 2 General disclosures, are on average 16 pages long.

Companies are on average in scope for seven standards with four standards being the minimum (two companies) and nine standards the maximum (five companies); including ESRS 2 General disclosures which is mandatory. Unsurprisingly all companies are in scope for S1 Own employees while all but one are in scope for G1 Business conduct.

25% provide entity-specific disclosures while two companies provide entity-specific KPIs within existing Topical disclosures.



What standards are companies in scope for and how many pages are they?

ESRSs	Frequency	Average page length
ESRS 2 General disclosures*	100%	16 pages
ESRS E1	100%	14 pages
ESRS E2	40%	4 pages
ESRS E3	30%	2 pages
ESRS E4	40%	4 pages
ESRS E5	70%	5 pages
ESRS S1	100%	10 pages
ESRS S2	55%	4 pages
ESRS S3	20%	6 pages
ESRS S4	65%	6 pages
ESRS G1	95%	5 pages
Entity-specific disclosures	25%	3 pages

* not subject to materiality

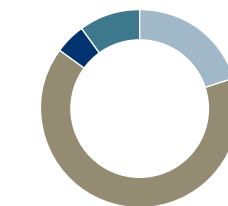
LOCATION AND FORMAT

How are the statements structured and where are disclosures located?

Sustainability Statements are almost exclusively located after the Governance section of the Management Report while entity-specific disclosures are commonly located at the end of the particular Environmental, Social, or Governance (ESG) section they most relate to. EU Taxonomy disclosures are usually located after the final Environmental standard.

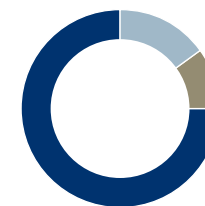
Incorporation by Reference is a popular choice for companies seeking to reduce repetition. Only two companies do not use this option. Incorporation by Reference is most commonly used for GOV-1 datapoints (Governance structures), followed by SBM-1 (Strategy, Business Model and value chain), while GOV-4 (Statement of due diligence) is the least likely to have a natural home elsewhere in the Annual Report.

Where does EU Taxonomy sit?



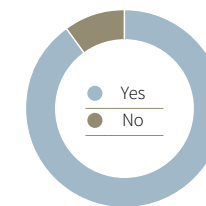
- After E1
- After the last E standards
- At the end of the Sustainability Statement
- Other

Where are entity-specific disclosures located?



- End of relevant ESG standard
- End of the Sustainability Statement
- No entity-specific disclosures
- Other

Do companies use Incorporation by Reference?



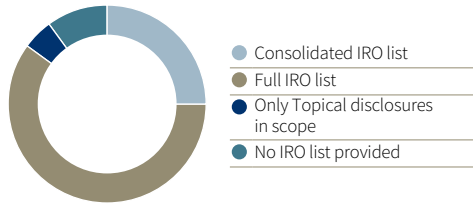
Which sections use Incorporation by Reference:	
GOV-1	SBM-1
80%	55%
GOV-3	GOV-2
50%	45%

IROs

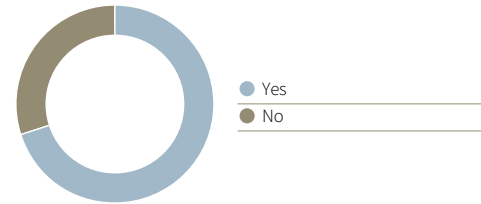
How are IROs treated in the General disclosures versus Topical disclosures?

One of the key challenges for companies is to minimise repetition within the Statement and broader Annual Report. Despite this, many companies provide a full list of IROs within both General disclosures and Topical disclosures sections. Others have a consolidated list of IROs in General disclosures with more detail, then placed in the relevant Topical disclosures. Two companies chose not to declare their IROs in the General disclosures at all, but simply have a full list in each Topical disclosure. One company simply listed the Topical disclosures it was in scope for.

How are IROs dealt with in General disclosures?



Are IROs set out in the beginning of relevant Topical disclosures?



Ørsted – General disclosures

Materiality	Impact	Risk	Opportunity
High	1	1	1
Medium	2	2	2
Low	3	3	3

Ørsted – General disclosures

Ørsted – E1

Materiality	Impact	Risk	Opportunity
High	1	1	1
Medium	2	2	2
Low	3	3	3

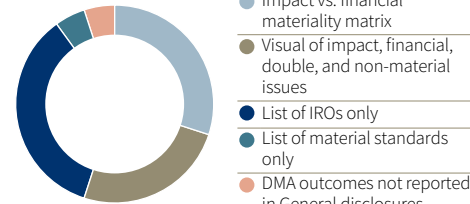
Ørsted – E1

MATERIALITY

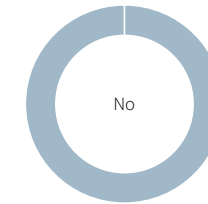
How are materiality assessment outcomes visualised?

Only 50% provide a matrix or visual representation of the identified IROs. This is surprising given how common materiality matrices have been in the past. This is perhaps because double materiality assessments encompass too many factors to represent visually, without oversimplifying. Companies are just as likely to provide a table that categorises IROs by negative and positive impact, risk and opportunity, and include elements such as timeframe and location in the value chain.

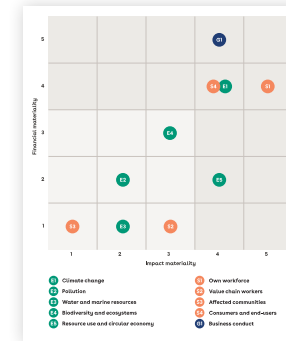
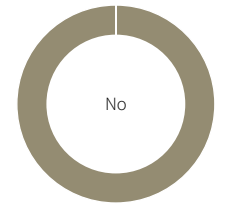
Which materiality visualisation is used?



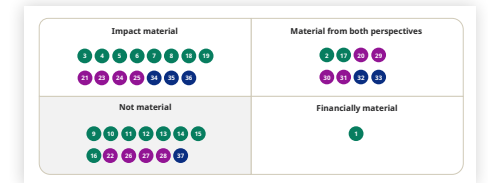
Is clear numerical scoring provided?



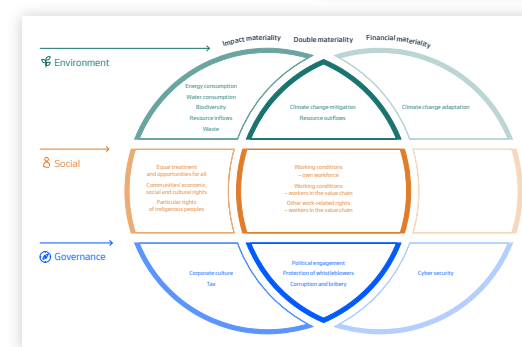
Are IROs quantified in monetary terms?



Spar Nord



Lundbeck



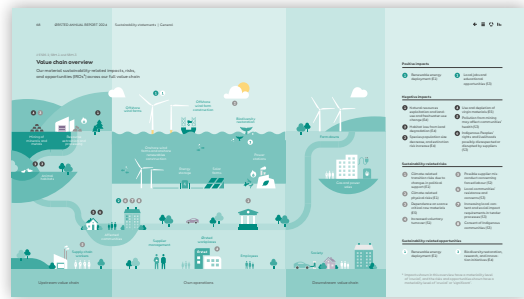
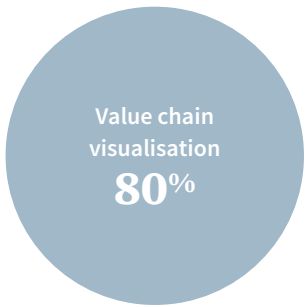
Vestas

VALUE CHAIN

How are value chains incorporated in the Sustainability Statements?

80% of companies (15 companies) provide a visual representation of their value chain in their Annual Reports with an overwhelming majority locating them in the Sustainability Statement. Of these, 35% (seven companies) plot their IROs against the value chain visual while the remaining companies use them as context only. With notable exceptions, these are often somewhat rudimentary, rather than impactful communication features in the statements.

85% (16 companies) also identify where in the value chain each IRO occurs in their IRO tables in General disclosures and/or in the beginning of the Topical disclosures they are in scope for.



Ørsted



Carlsberg



Pandora

COMMUNICATION VS DISCLOSURE

Do Sustainability Statements signal the end of sustainability communications?

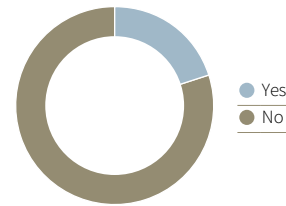
None of the companies have a fully-fledged standalone sustainability section beyond the Sustainability Statement. However, 15% (three companies out of 20) report sustainability highlights outside of the Sustainability Statement and one report has a separate two-page people section.

Most Sustainability Statements make significant use of images and infographics to help communicate the content although less than 30% use highlights and case studies.

No company has published a separate Sustainability Report at the same time as the Annual Report despite many doing so in previous years. One has published a Climate Report. While companies may still intend to publish a separate Sustainability Report or Factbook later in 2025, it could also suggest that integration into the Annual Report will put an end to standalone Sustainability Reports, at least in Year 1 of reporting.

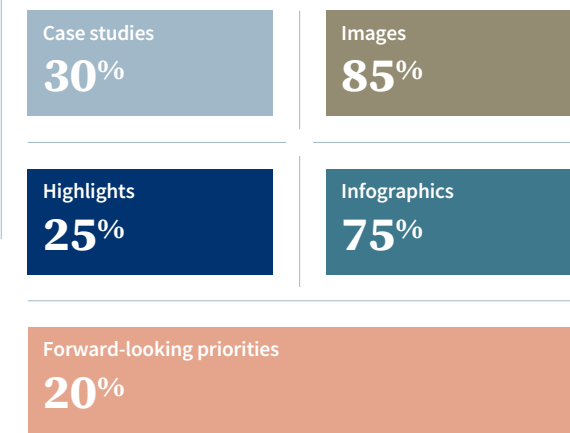
With that in mind, companies will need to consider if Sustainability Statements are fit for purpose when it comes to meeting the needs of all stakeholder groups going forward. Different stakeholder groups have varying needs and will require tailored solutions – e.g. a Sustainability Report is sometimes a valuable pre-sales resource for customer engagement. In this context, the Sustainability Statement may fall short and many stakeholders would benefit from additional sustainability reporting.

Is there a sustainability section beyond the Sustainability Statement?



● Yes
● No

Do statements include any of the following:



Key takeaways

1 Clear structure and labelling matters

Better Sustainability Statements have a clear structure which follows that of ESRS 2 and is clearly outlined at the beginning of the Statement. They tend to feature consistent labelling of Disclosure Requirements, socialising the ESRS with readers new to Sustainability Statements while fostering transparency and comparability for more seasoned stakeholders. Conversely, some companies use alternative descriptions or mislabel the Disclosure Requirements which creates confusion. Whilst Incorporation by Reference can be usefully employed, companies need to be mindful that this can impact the readability of the Statement, contrary to the principle stated in ESRS 1, 9.1 (122).

2 Practical solutions for narrative flow

First reporters offer a variety of solutions to enhance readability. For example, instead of having policies related to multiple IROs duplicated across topical standards, Netcompany provides an overview policy table. Others use panels at the beginning of their Topical disclosures, which outline targets, metrics, and actions, providing the reader with a snapshot of the following narrative disclosures.

3 Integration between Risk functions & IROs

It is evident that some companies' Risk functions have become a more integral part in the determination of sustainability IROs and are using a consistent methodology and ERM approach, in both the Risk and Sustainability Statement sections (e.g., Ørsted). This evolution solidifies ESG as an increasingly legitimate part of 'business as usual'.

4 Limitations in reporting IROs

Few companies detail their materiality assessment processes further than high-level methodology overviews. There are some notable exceptions who provide scoring methodology (e.g., Rockwool). In addition, numerical scoring or quantification of the financial impact of IROs is rare. Some companies provide a list of material topical disclosures using AR16 topics, rather than providing a full or consolidated list of defined company-specific IROs, which is preferred. Some reports (e.g., Lundbeck) include material issues below thresholds, offering a more transparent approach to IROs and imposed thresholds.

5 Value chain and SBM reporting gaps

Value chain reporting often remains superficial, focusing simply on 'own operations', 'upstream' and 'downstream', without quantifying what underlies these three macro areas. Better reporting details each aspect of the value chain and where the IROs sit within it, including which stakeholders are relevant at each stage. Reporting on Strategy and Business Model seems fairly immature, and companies should be mindful that simply responding to the data points in this regard, may not actually meet the intended purpose as stated in the regulation.

6 Strategic direction

Some companies enrich their disclosures with forward-looking sustainability strategies, whilst others provide no ancillary information at all. Whilst companies should be applauded for having well-developed transition plans that provide roadmaps on climate, other topical standards would benefit from an additional level of forward-thinking with clear strategic priorities, allowing stakeholders to hold them to account.

7 Topical disclosure trends

The most commonly applied Topical Disclosure standards (after E1 – Climate Change, which must be considered even if not material) are, unsurprisingly, S1 Own Workforce and G1 Business Conduct. Perhaps surprisingly, E5 Resource Use & Circular Economy ranks third highest in terms of application with 70% adoption—outpacing standards one might expect to be more widely material such as E2 Pollution, and to a lesser extent E3 Water and Marine Resources, and E4 Biodiversity & Ecosystems – by over a half.

Unlock the power of CSRD compliance: transform your reporting today!

Don't let the complexities of CSRD reporting overwhelm you. Our team of experts is here to guide you through every step, ensuring your reporting not only meets regulatory requirements but also becomes a powerful tool for stakeholder engagement and business transformation.

Why speak to us?

Proven Expertise: Our legacy with global companies and relationships with governing bodies ensure your reporting meets best practice.

Strategic Advantage: Go beyond compliance—our approach helps you create reports that build trust with stakeholders, enhance transparency, and position your company as a leader in sustainability.

Don't wait until the deadline looms

Whether you're preparing your first CSRD-compliant report or refining your existing disclosures, now is the time to act.

Get in touch to talk about your current reporting needs and discover how we can help you meet and exceed CSRD requirements. Speak to our Senior Growth Manager, Bob, at bcrosbie-dawson@blacksun-global.com

blacksun-global.com

