

# Guest editorial: Toward a new mandatory sustainability reporting landscape in Europe: challenges and opportunities

## 1. Introduction

The last decade has brought unprecedented developments in sustainability reporting regulations in Europe, introducing significant changes to disclosure requirements and creating a turbulent and complex environment for regulators, practitioners, and researchers.

The Directive 2014/95/EU, called the Non-Financial Reporting Directive (NFRD), represented the European Union (EU)'s major shift from a voluntary to a mandatory regime of sustainability reporting (La Torre *et al.*, 2018). It required large public interest entities to disclose information on environmental, social, employee, human rights, and anti-corruption matters starting from the 2017 financial year (EU, 2014). Despite its significance, the NFRD soon attracted substantial criticism. The European Commission (EC) acknowledged that the causes of the problems included insufficiently detailed NFRD requirements, a myriad of overlapping and sometimes inconsistent private non-financial reporting frameworks and standards, as well as the lack of enforcement (EC, 2020; Zarzycka and Krasodomaska, 2022; Nicolò *et al.*, 2025). Similar concerns were also raised in academia. Several studies evidenced limited effects from the transposition of NFRD on non-financial reporting, in particular, insufficient clarity on the definition of materiality (Mio *et al.*, 2021); the abuse of the “comply or explain” principle (Pizzi *et al.*, 2020; Venturelli *et al.*, 2020); the coexistence of several inconsistent reporting frameworks and the lack of specific requirements for reporting standards (La Torre *et al.*, 2018); the excessive flexibility left to the member states to impose state-specific requirements on companies (Aureli *et al.*, 2019) and the absence of mandatory assurance requirement (Aureli *et al.*, 2020).

To address these weaknesses, the EC initiated a revision process, which led to Directive 2022/2464/EU, referred to as the Corporate Sustainability Reporting Directive (CSRD), applied for the first time in the 2024 financial year. The CSRD, closely aligned with prior recommendations from the European Financial Reporting Advisory Group (EFRAG) (Giner and Luque-Vilchez, 2022), significantly strengthened the regulatory framework. It replaced the term “non-financial reporting” with more accurate “sustainability reporting”, clarified further the concept of double materiality, broadened the scope of reporting to all large and listed companies (excluding listed micro-entities), mandated detailed and standardized disclosures to be included within the management report rather than in separate reports, and required assurance of sustainability information (Di Tullio *et al.*, 2026; Hummel and Jobst, 2024; Nicolò *et al.*, 2025). Another significant development regarding the CSRD is that it extends the scope of reporting requirements not only to value chains but also to non-EU companies (Pizzi and Caputo, 2026).

As La Torre *et al.* (2018) argued, achieving consistency and comparability in sustainability disclosures across the EU required reporting standards based on regulation. To achieve this and operationalize the CSRD, the European Sustainability Reporting Standards (ESRS) were developed by EFRAG. The ESRS framework includes two cross-cutting standards -setting out general principles and governance-related disclosures- and ten topical standards covering environmental (E), social (S), and governance (G) matters (EU, 2023; Nicolò *et al.*, 2025). These standards provide detailed, consistent, and comparable reporting requirements; however, due to their novelty and complexity, their implementation by companies is a demanding process, also influenced by their size, industry, or sustainability reporting practice before the ESRS implementation (Fedee *et al.*, 2025; Raimo *et al.*, 2026).



Literature suggests that the CSRD implementation might contribute to a decrease in the Environmental, Social and Governance (ESG) disclosure (Mahmood *et al.*, 2026). Similarly, Di Tullio *et al.* (2026) argue that it might not necessarily lead to greater transparency; instead, it could shift the focus from corporate social responsibility to legal accountability and raise questions about the effectiveness of mandatory assurance, supported and encouraged by prior studies (Krasodomska *et al.*, 2023, 2025).

The transition from NFRD to CSRD involved both psychological and functional barriers for some stakeholders (Damiano and Valenza, 2026). Moreover, it is not a cost-free endeavour, particularly for small and medium-sized enterprises (SMEs), which can be affected both directly and indirectly, as the CSRD requires reporting along value chains (Pizzi and Coronella, 2024; Di Tullio *et al.*, 2026). SMEs are the backbone of the European Union's economy. This lack of understanding hinders SMEs from recognizing the long-term benefits of sustainability, leaving them less prepared for effective data collection and management (Krasodomska, 2025). Therefore, sustainability reporting in the SME sector is often limited (Paoloni *et al.*, 2026), and legal and tax-related issues, sustainability reporting expertise, and accounting infrastructure are important factors that might influence its development (Albu *et al.*, 2026). Especially, SMEs in Central and Eastern European member states might find it difficult to align with the CSRD requirements due to their limited awareness of and engagement in sustainability initiatives, partly because of insufficient communication and education (Krasodomska, 2025).

Another important and challenging issue is the double materiality concept, which forms the basis for sustainability reporting under CSRD (cf. Reimsbach *et al.*, 2020; Baumüller and Sopp, 2022; Flandrino *et al.*, 2022; Correa-Mejia *et al.*, 2024; Dragomir *et al.*, 2024). From the perspective of double materiality, a sustainability topic is considered material if it is significant from either the impact ("inside-out") perspective, the financial ("outside-in") perspective, or both. The double materiality assessment is a complex process, depending on many factors and requiring active stakeholder engagement (Dyczkowska and Szalacha, 2026). Companies might focus in a different way on these two perspectives (Bartolacci *et al.*, 2026), and the consequences of double materiality adoption related to organizational changes are still relatively unexplored (Panfilo *et al.*, 2026).

It should be noted that the recent changes in the sustainability reporting landscape in Europe are not without a global context. The International Financial Reporting Standards (IFRS) Foundation has also become a key global actor in sustainability reporting, pursuing a different, investor-oriented approach (financial materiality) than the ESRS (double materiality) or Global Reporting Initiative (GRI) Standards (impact materiality). Responding to pressure from investors and other stakeholders, the IFRS Foundation established the International Sustainability Standards Board (ISSB) in 2021, with a mandate to develop standards focused on information relevant to investors and capital market participants (IFRS Foundation, 2025). It is important to note that both convergence and divergence exist between the approaches of EFRAG and ISSB, and the standard-setting process is strongly shaped by the interplay of regional and global socio-political factors (Carungu *et al.*, 2025). The ISSB issued two standards: IFRS S1, setting general sustainability disclosure requirements and IFRS S2, focusing specifically on climate-related risks and opportunities (Heyden, 2026).

The significance of the regulatory developments discussed above is beyond question, as they mark a major turning point in the evolution of corporate reporting. Against this backdrop, the objective of this special issue is to examine the challenges and opportunities arising from the introduction of mandatory sustainability reporting in Europe. The issue brings together 13 papers that address this topic from diverse perspectives, offering new insights into the implications of these regulations and their global context. Each contribution sheds light on an important aspect of the transformation taking place, and together, they enrich our understanding of how this evolving regulatory framework influences all actors involved. The individual papers are discussed in greater detail in the following section.

It is important to highlight that during the publication process of this special issue, the CSRD's evolutionary path has been marked by considerable uncertainty, particularly regarding the publication of the so-called Omnibus package at the end of February 2025 (EC, 2025; Nicolò *et al.*, 2025; Mahmood *et al.*, 2026). Following an initial wave of enthusiasm about the potential impact of the CSRD, many stakeholders highlighted criticisms related to its high complexity (Pizzi and Caputo, 2026). The proposal to postpone the application of the CSRD requirements by other than NFRD-reporters ("stop the clock") has already been adopted and is to be transposed into the member states' national legislation by 31 December 2025 (Council of the EU, 2025). Another proposal includes shifting the focus of reporting obligations to the largest companies. On 13 November 2025, the European Parliament adopted its negotiating position on imposing sustainability reporting requirements only to businesses employing on average over 1,750 employees and with a net annual turnover of over €450 million (European Parliament, 2025). The reform also seeks to simplify ESRS (already undergone a public consultation period), ensure that sustainability reporting requirements for large companies do not impose excessive burdens on SMEs within their value chains, and possibly eliminate the obligation to transition from limited to reasonable assurance (Di Tullio *et al.*, 2026).

As evidenced above, regulatory changes in the sustainability reporting domain are occurring rapidly and, as evidenced by the Omnibus proposal, in often unexpected directions. This creates significant challenges for companies operating in uncertain and turbulent times, introduces new tensions, risks, and opportunities, while also opening additional avenues for research within an already complex landscape. Through this special issue, we aim to provide guidance and make a meaningful contribution to this important area of research. This special issue is particularly timely because, during its development, the EU was conducting feedback rounds and consultations on changes to the CSRD and ESRS. The practice-based research presented here, combined with the participation of academics in the consultation processes, highlights a direct connection between scholarly inquiry and regulatory developments.

The paper is structured as follows: Section 2 presents our review and discussion of the articles published in the special issue. In Section 3, we propose directions for future research. Section 4 outlines our concluding remarks.

## 2. Review of papers published in this special issue and their contributions

The thirteen articles published in this special issue adopted different methodological approaches, including: single (Dyczkowska and Szalacha, 2026) and multiple (Bartolacci *et al.*, 2026) case studies; surveys (Albu *et al.*, 2026); normative essays (Di Tullio *et al.*, 2026); content analysis (Damiano and Valenza, 2026; Fedele *et al.*, 2026; Panfilo *et al.*, 2026; Paoloni *et al.*, 2026; Raimo *et al.*, 2026); thematic analysis (Carungu *et al.*, 2025); text and sentiment analysis assisted by machine learning (Pizzi and Caputo, 2026) and natural language processing (NLP) techniques (Heyden, 2026); and regression models (Mahood *et al.*, 2026). Some studies also combined content/sentiment analysis with inferential statistical approaches, such as *t*-tests (Fedele *et al.*, 2026; Panfilo *et al.*, 2026) and various regression models (Albu *et al.*, 2026; Damiano and Valenza, 2026; Panfilo *et al.*, 2026; Pizzi and Caputo, 2026; Raimo *et al.*, 2026). Also, the geographical settings investigated by empirical papers are heterogeneous, ranging from single (e.g. Albu *et al.*, 2026; Bartolacci *et al.*, 2026; Dyczkowska and Szalacha, 2026; Fedele *et al.*, 2026; Paoloni *et al.*, 2026) and multiple EU countries (Mahmood *et al.*, 2026; Panfilo *et al.*, 2026; Raimo *et al.*, 2026), to non-EU countries (Pizzi and Caputo, 2026).

Against this backdrop, this paragraph offers an overview of the thirteen articles, categorised into three main thematic clusters: 1) standard-setters, stakeholders and the politics of CSRD; 2) double-materiality in action; 3) sustainability disclosure and ESRS readiness.

### 2.1 Standard-setters, stakeholders and the politics of CSRD

This cluster includes five special issue papers mainly focused on the sustainability reporting regulation process from the perspective of standard-setters and stakeholders.

Specifically, [Carungu et al. \(2025\)](#) investigated how two leading standard-setters - the EFRAG and the ISSB - have approached their journey toward defining global sustainability reporting standards, highlighting both divergences and areas of potential convergence. To this end, they conducted a detailed thematic analysis of more than 500 publicly available documents and 178 h of audio recordings from EFRAG and ISSB meetings and discussions, covering the period March 2022–September 2024. Drawing on Alvesson and Deetz's (2000) critical analysis framework, their findings show that both ISSB and EFRAG demonstrate a strong commitment to interoperability and connectivity, as well as to developing sector-specific reporting standards and a digital taxonomy for sustainability reporting comparable to XBRL. Nonetheless, inevitable tensions emerge between the two bodies. Whereas the ISSB remains primarily focused on improving investor-oriented sustainability reporting, EFRAG's objective is to address the information needs of a broader stakeholder audience. This divergence has important implications for the materiality discourse – i.e. what types of sustainability information organisations are expected to report - and for how sustainability practices are embedded internally.

[Heyden \(2026\)](#) devoted specific attention to the ISSB's standard-setting process, examining the extent to which lobbying activities by stakeholders have affected the development of IFRS S2 climate-related disclosures. The author employed NLP techniques - such as sentiment, similarity and trigram analyses - to conduct an in-depth examination of 718 comment letters submitted by different stakeholders during the public consultation on the IFRS S2 exposure draft. The findings shed light on how standard development has been influenced by stakeholder lobbying. While companies and financial service providers tend to privilege economic arguments, expressing concerns over the administrative burden associated with the standard, nongovernmental organisations (NGOs), regulators and academic groups advocate for more stringent, climate-related disclosure requirements. Although the ISSB appears to pay greater attention to the arguments put forward by investors, a broader stakeholder involvement in global sustainability reporting remains necessary to achieve legitimacy.

A similar approach was followed by [Damiano and Valenza \(2026\)](#), who explored the barriers associated with the transition from the NFRD to the CSRD, focusing on stakeholders' resistance. To this end, they adopted a mixed research method, including content and iterating multiple regression analysis, to scrutinise the outcomes of the public consultation held by the EC in February 2020, involving a total of 588 respondents (e.g. preparers and users, small and big companies, business organisations, NGOs). Relying on the normativity concept and innovation resistance theory (IRT), [Damiano and Valenza \(2026\)](#) highlighted how psychological (image and tradition) and functional (risk, value and usage) barriers negatively affected stakeholders' agreement to transition from the NFRD to the CSRD.

With a specific focus on Romanian SMEs, [Albu et al. \(2026\)](#) investigated how their key actors dealt with the regulatory pressures stemming from the introduction of the CSRD, in terms of enablers, barriers and business desiderata. To this end, they conducted a 14-item survey addressed to both young and experienced SME accountants, and categorised and processed the responses through content analysis and multiple statistical techniques, including principal component analysis and regression models. The study identified different approaches adopted by SMEs towards sustainability reporting regulation, associated with three distinct logics: a *decoupling* logic (neglecting sustainability), a *traditional* logic (experimenting with sustainability) and a *modern* logic (integrating sustainability). Moreover, the results highlighted the presence of legal- and tax-related enablers and barriers, underscoring the prominent role of the state in the Romanian context, followed by accountants' sustainability reporting expertise and the robustness of internal accounting infrastructures.

Lastly, [Di Tullio et al. \(2026\)](#) conducted a normative, critical study discussing the expectations - i.e. the hypes and myths - surrounding the implementation of the CSRD. First, the authors evidenced that the hype regarding the transformative potential of the CSRD tends to overlook the practical technological, human and economic challenges and costs faced by SMEs in aligning with the new regulation. Second, while the CSRD is expected to encourage greater transparency through mandatory disclosure schemes, it may paradoxically prompt some companies to strategically conceal their sustainability efforts and positive performance (“green hushing”) to avoid scepticism and backlash from consumers and activists. Third, legal compliance with mandatory sustainability reporting requirements does not necessarily imply a genuine commitment to Corporate Social Responsibility (CSR), which would instead require substantive efforts to improve internal processes and practices. Finally, the myth of mandated assurance as a straightforward vehicle for enhancing the reliability and credibility of sustainability information clashes with the murky commercial relationships that often exist between companies and auditors, raising doubts about the latter’s real independence.

### 2.2 Double materiality in action

This cluster includes three special issue papers, which explicitly focus on double materiality adoption and operationalisation in different industrial settings.

More specifically, [Dyczkowska and Szalacha \(2026\)](#) explored the practical application of the double materiality assessment process, thereby enhancing understanding of the potential problems and challenges arising during its implementation. In doing so, they conducted a single case study on the third-largest construction company in Poland, using an interpretive approach to study internal documentation related to the company’s double materiality assessment process. The study highlights that the qualitative assessment of impact materiality causes difficulties for the stakeholders (evaluators), especially those with less sustainability-related experience. It underscores the need for clear criteria to assign different weights to stakeholder groups involved in the process, for instance, according to their familiarity with the sustainability issues under consideration. The study also reveals the complexity of assessing the materiality of Impact, Risks and Opportunities (IROs) related to sustainability matters, particularly when it comes to defining objective thresholds that reliably single out the issues that are genuinely most relevant for the company.

Likewise, [Bartolacci et al. \(2026\)](#) conducted a multiple case study involving two large Italian family businesses falling within the scope of the CSRD to explore how they approach the double materiality principle. To this end, the authors mainly relied on insights stemming from semi-structured group interviews with the sustainability teams of the two companies. The main findings underscore that both companies are more focused on financial materiality than on impact materiality, reflecting an outlook that privileges risks and opportunities for the undertaking over its impacts on the environment and society. Therefore, rather than merely enhancing “technical” readiness, it is crucial to reshape the underlying mindset towards the principle of double materiality. Interestingly, [Bartolacci et al. \(2026\)](#) also observed that second-generation family members in both companies are more sensitive to social and environmental sustainability issues, suggesting that younger governance actors and managers are particularly attuned to emerging global challenges and concerns.

Last, [Panfilo et al. \(2026\)](#) employed a quantitative approach to examine whether the adoption of double materiality in sustainability reporting influences ESG risk management. To this end, the authors analysed the sustainability reports published in 2023 by a sample of 442 STOXX Europe 600 companies and estimated *T*-tests and regression models to assess the impact of adopting double materiality on ESG risk management performance. Their findings revealed that 79% of the sample companies did not apply double materiality in their sustainability reports, while early adopters accounted for only 21% of the sample. Moreover, among these early adopters, the adoption of double materiality did not significantly influence ESG risk management performance.

### 2.3 Sustainability disclosure and ESRS readiness

This cluster comprises five special issue articles that devote specific attention to analysing the content of corporate reports to explore companies' readiness in view of CSRD and ESRS introduction and, in some cases, exploring the underlying drivers or consequences.

More in detail, [Fedele et al. \(2026\)](#) focused on a sample of 34 Italian banking institutions to assess their alignment with ESRS disclosure requirements and to discern potential differences in behaviour among them. The results of a content analysis based on the GRI-ESRS Interoperability Index indicate moderate alignment levels, with priority given to Climate change (E1), Own workforce (S1) and Consumers and end-users (S4), while less attention is devoted to Biodiversity and ecosystems (E4) and Water and marine resources (E3). Moreover, the study highlights that larger and commercially oriented Italian banks, using the GRI Standards at the "in accordance" level, exhibit higher levels of sustainability disclosure aligned with the ESRS.

Adopting a similar approach, [Paoloni et al. \(2026\)](#) focused on a sample of 17 Italian listed SMEs that published a sustainability report as of January 2025 and circumscribing the analysis to climate-related disclosure (ESRS E1). Drawing upon the substantive/symbolic legitimacy theoretical lens, the study's results underscore the prevalence of the latter approach, whereby firms rely on general narrative statements that lack measurable indicators or concrete references to ESRS disclosure requirements. A lack of explicit operationalisation of financial materiality is also evidenced. In a few cases, the study identifies more substantive approaches to complying with E1 disclosure requirements, especially in the services and technology sectors.

[Raimo et al. \(2026\)](#) adopted a different standpoint, evaluating the compliance of Integrated Reports (IRs) published by a sample of 166 EU companies in 2023 with ESRS disclosure requirements, as well as the impact of firm size and industry environmental sensitivity on this level of compliance. After defining a broader disclosure index including 88 items drawn from the ten topical ESRS, a content analysis of the sampled IRs showed a generally low level of compliance, with higher adherence to E1, S1 and G1 disclosure requirements. In addition, results from regression models indicate that larger companies and those operating in environmentally sensitive sectors are more likely to publish IRs that comply with ESRS requirements.

[Pizzi and Caputo \(2026\)](#) adopted ML techniques to conduct text and sentiment analysis on 10-K filings published by a sample of 503 U.S. corporations over the 2021–2023 period, to gain insight into whether and how they are approaching the CSRD. Additionally, they estimated a panel regression to explore the relationship between three groups of variables and the sentiment expressed in sampled companies' CSRD-related disclosures. The results show that only a limited number of the investigated corporations disclose their orientation towards the CSRD, with a substantial increase in 2023. Among these, the few companies that do so adopt a predominantly optimistic tone. Moreover, the involvement of the CEO within the board of directors positively influences disclosure sentiment, whereas board attendance is negatively associated with it. Among the ESG scores, only the Governance dimension positively affects sentiment.

Finally, [Mahmood et al. \(2026\)](#) conducted a longitudinal study on ESG disclosure scores derived from Bloomberg for a sample of 1,862 firms over the period 2014–2024, estimating several regression models to assess their impact on firm value, measured by Tobin's Q. Interestingly, they found a decrease in ESG disclosure scores in 2024 (reporting year 2023), immediately before the first year of CSRD implementation. Also, the regression results indicate a significant and positive effect of ESG disclosure on firm value.

### 3. Future research directions

Papers published in this special issue have offered novel and insightful theoretical and practical contributions, shedding light on both the strengths and the shortcomings of the

ongoing sustainability reporting standardisation process. In doing so, they have also illuminated several research gaps that may serve as valuable starting points for future studies, with the potential to further enrich the academic debate in the years to come. Consistent with the three thematic clusters identified in this special issue, future research could be directed towards, but not limited to, the following areas:

#### *Standard-setters, stakeholders and the politics of CSRD*

- (1) How will European sustainability reporting regulation affect the external assurance process provided by auditing firms?
- (2) How has each EU Member State transposed the CSRD? A comparative analysis could explore similarities and differences.
- (3) How do approaches to regulating sustainability reporting differ between EU and non-EU countries?
- (4) What role have accounting experts and professional organisations played in developing EU sustainability reporting standards?
- (5) How are business schools changing their educational content to incorporate the new sustainability reporting requirements?
- (6) How will SMEs adapt to an increasingly fragmented sustainability reporting landscape?

#### *Double materiality in action*

- (1) What are the real costs and benefits of implementing double materiality?
- (2) How can the double materiality process drive stronger accountability for sustainability performance?
- (3) How does double materiality link accounting systems to strategic management for sustainability?
- (4) To what extent can double materiality serve as a tool to extend and deepen risk-management culture?
- (5) How will SMEs operationalise double materiality in practice, and what factors will determine the reliability of their assessments?

#### *Sustainability disclosure and ESRS readiness*

- (1) How will the CSRD and the ESRS affect the quality and quantity of sustainability disclosures?
- (2) Has the CSRD encouraged more extensive disclosure of companies' contributions to SDG implementation?
- (3) How does sustainability disclosure under the CSRD regime differ across countries?
- (4) Have the ESRS really contributed to the emergence of a "norm" in sustainability reporting in Europe?
- (5) How has the CSRD influenced the organisational discourse articulated in CEO letters?

- (6) What is the impact of the ESRS on potential greenwashing and impression management strategies?
- (7) What role will sustainable governance and sustainability committees play in ensuring alignment with emerging sustainability reporting regulations?
- (8) How will the ESRS Voluntary Sustainability Reporting Standard for non-listed micro, small and medium-sized enterprises (VSME) shape SMEs' sustainability reporting in the coming years?

In parallel, the Omnibus proposal presented by the EC has been issued in response to the current socio-political context (Nicolò *et al.*, 2025). It introduces significant changes to the scope, reach and content of the obligations set out in the CSRD. In many respects, it represents a step back compared with previous regulatory efforts to enhance transparency and accountability. The Omnibus proposal has also raised concerns among companies, investors and other stakeholders regarding their obligations in terms of corporate sustainability management and transparency.

In light of the uncertainty in the European regulatory landscape arising from the Omnibus proposal, additional avenues for future research emerge. Among others, the following directions appear particularly promising:

- (1) To what extent will the Omnibus proposal modify the collective corporate reporting behaviour of European SMEs?
- (2) Have the Omnibus packages succeeded in easing reporting burdens without compromising the usefulness of sustainability information for stakeholders?
- (3) Is the Omnibus proposal the story of a failed regulatory process in the field of sustainability reporting? A critical analysis could shed light on its broader implications for the evolution of sustainability regulation in Europe.

#### 4. Concluding remarks

This Special Issue arrives at a pivotal moment in the evolution of sustainability reporting in Europe. The transition from the NFRD to the CSRD, along with the introduction of the ESRS, reflects the EU's ambitious regulatory agenda to enhance transparency, accountability, and comparability in corporate sustainability disclosures. Yet, as the contributions to this issue reveal, this transformation is accompanied by a wide array of tensions, uncertainties, and implementation challenges.

The papers collected in this issue show how the new regulatory framework has triggered institutional, organisational, and behavioural changes across firms and sectors. They underscore both the promise and the pitfalls of mandatory sustainability reporting, from improved stakeholder engagement and enhanced ESG data quality to concerns about compliance costs, strategic opacity, and regulatory overload. A common theme emerging across studies is that regulatory clarity does not automatically lead to meaningful or substantive sustainability practices. The journey from formal compliance to genuine accountability remains complex and uneven.

Several key conclusions can be drawn from this body of work. First, the CSRD and ESRS represent not merely regulatory changes but also cultural and institutional shifts. These shifts require companies, in particularly SMEs, to rethink their approach to sustainability, disclosure, and governance. However, the findings reveal that this transition is neither linear nor uniform. While some firms exhibit advanced preparedness and engagement, others struggle with interpretive ambiguities, resource constraints, and implementation hurdles.

Second, the principle of double materiality emerges as both a cornerstone and a challenge in the CSRD framework. The contributions illustrate how its operationalisation remains fraught

with methodological complexity and conceptual uncertainty. Early evidence suggests that while the concept holds transformative potential, its impact on practice and performance is still limited and uneven.

Third, this special issue highlights the interplay between regional regulation and global standard-setting efforts. The coexistence and at times tension between EFRAG and ISSB approaches underscores a broader question: how can regulatory convergence be achieved without compromising on stakeholder inclusivity, comparability, or normative ambitions?

Finally, the Omnibus proposal and its potential rollback effects introduce new layers of uncertainty. The regulatory trajectory, once assumed to be linear and ambitious, now faces possible dilution and delay. This calls for a renewed reflection on the politics of sustainability standard-setting and the institutional resilience required to sustain momentum in such a fluid landscape.

In this context, academic research plays a crucial role. As this special issue demonstrates, scholarly engagement not only critiques and contextualises regulatory developments but also supports policy co-creation through evidence-based insights. It is expected that the contributions assembled here will inspire further research at the intersection of regulation, reporting practice, and sustainability performance. In doing so, they can help inform both academic inquiry and pragmatic implementation, ultimately advancing the broader goals of transparency, accountability, and sustainable development in Europe and beyond.

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