Lisbon School of Economics & Management
Universidade de Lisboa

MASTERS IN MANAGEMENT (MIM)

MASTERS FINAL WORK

PROJECT

THE TRANSFORMATION OF ESG REPORTING IN EUROPE: FROM NFRD TO CSRD – EVIDENCE FROM THE PANDORA A/S CASE

SARA MAREGA

APRIL 2026

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ABSTRACT

This study examines how sustainability reporting in Europe has evolved with the transition from the Non-Financial Reporting Directive (NFRD) to the Corporate Sustainability Reporting Directive (CSRD), and whether the introduction of stricter disclosure requirements has led to substantive improvements in reporting quality or primarily increased formal compliance. Using Pandora A/S as a longitudinal case study, the research analyses sustainability and annual reports published between 2019 and 2024, covering the mature NFRD period, the transition phase, and the first effective application of the CSRD and European Sustainability Reporting Standards (ESRS). The findings indicate that the CSRD acts as a catalyst for a gradual transformation of ESG reporting practices. Under the NFRD, sustainability disclosure is largely narrative, heterogeneous, and oriented towards legitimacy and stakeholder communication, with limited standardisation and weak integration with financial reporting. As the CSRD approaches, Pandora progressively strengthens its reporting architecture through the formal adoption of double materiality, enhanced governance oversight, greater methodological rigour, and the introduction of external assurance. The integration of Sustainability Statements into the 2024 annual financial report marks a significant shift towards regulated accountability and the institutionalisation of sustainability within corporate reporting systems. However, the study also identifies ongoing challenges. Despite methodological improvements, disclosures on the economic and financial effects of ESG impacts, risks, and opportunities remain predominantly qualitative. This highlights the operational difficulty of translating double materiality into consistent and quantifiable financial information. Overall, the results suggest that the CSRD represents an important but evolutionary step towards higher-quality sustainability reporting, whose full impact will depend on firms' ability to further develop measurement capabilities and integrate sustainability considerations into corporate decision-making.

Keywords: ESG reporting; CSRD; NFRD; double materiality; sustainability disclosure; case study

JEL Codes: M14; M41; G38; G32; D82; K22

ABBREVIATIONS

A/S – Aktieselskab (Danish public limited company)

CSRD – Corporate Sustainability Reporting Directive

CSR – Corporate Social Responsibility

EFRAG – European Financial Reporting Advisory Group

ESG – Environmental, Social and Governance

ESRS – European Sustainability Reporting Standards

EU – European Union

GRI – Global Reporting Initiative

IFRS – International Financial Reporting Standards

IROs – Impacts, Risks and Opportunities

ISO – International Organization for Standardization

JEL – Journal of Economic Literature

KPI(s) – Key Performance Indicator(s)

MiM – Master in Management

NFRD – Non-Financial Reporting Directive

OECD – Organisation for Economic Co-operation and Development

PwC – PricewaterhouseCoopers

SASB – Sustainability Accounting Standards Board

SDGs – Sustainable Development Goals

SMEs – Small and Medium-sized Enterprises

TCFD – Task Force on Climate-related Financial Disclosures

UN – United Nations

XHTML – Extensible HyperText Markup Language

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CHAPTER 1 - INTRODUCTION

Sustainability has become a central element in economic, financial, and regulatory debates, reflecting a growing awareness of the environmental, social, and governance (ESG) impacts generated by business activities. In this context, non-financial reporting has taken on an increasingly important role as a tool for transparency, accountability, and communication with investors, institutions, and broader stakeholders. The ability of companies to provide reliable, comparable, and verifiable information on sustainability is now considered essential for the proper functioning of markets and for guiding long-term economic decisions (Minutiello Valentina, 2025).

The European Union has played a leading role in the process of institutionalizing ESG reporting, gradually introducing a regulatory framework aimed at overcoming the limitations of voluntary disclosure. In this process, Directive 2014/95/EU on the disclosure of non-financial information (Non-Financial Reporting Directive, NFRD) represented a first attempt to harmonize reporting practices at the European level. Although it has contributed to increasing the spread of sustainability reporting, the NFRD has shown significant critical issues, particularly in terms of comparability, standardization, and quality of the information provided, leaving companies with a wide margin of interpretative discretion.

In light of these limitations, the introduction of the Corporate Sustainability Reporting Directive (CSRD) marks a structural change in the paradigm of non-financial reporting in Europe. The CSRD significantly broadens the subjective scope of application, strengthens disclosure requirements, and introduces a system of common standards—the European Sustainability Reporting Standards (ESRS)—with the aim of ensuring greater consistency, verifiability, and integration between financial and sustainability reporting. A central element of this new regulatory architecture is the principle of double materiality, which requires companies to report both the impacts of their activities on the environment and society, and the ESG risks and opportunities relevant to their economic and financial performance.

Despite the ambition of the new regulatory framework, a key question remains: to what extent does strengthening reporting requirements translate into an actual improvement in the quality of information and a substantial change in corporate practices, rather than a mere formal adjustment to the new rules? The existing literature highlights how the introduction of mandatory disclosure requirements can increase the quantity and formalization of ESG information, but does not necessarily guarantee a profound transformation of corporate decision-making processes and governance models (Michelon et al, 2015). The risk of predominantly symbolic compliance, already observed in the context of the NFRD, therefore remains a relevant issue even in the initial phase of CSRD implementation.

Motivated by the recent regulatory shift in European sustainability reporting, this study aims to explore how the transition from the NFRD to the CSRD has influenced corporate ESG reporting practices. Specifically, the research investigates whether and to what extent the new regulatory framework fosters a substantive evolution in reporting, promoting greater integration between sustainability considerations, corporate strategy, and economic and financial performance. To address this objective, the study adopts a qualitative longitudinal research design, centered on an in-depth case study of Pandora A/S, a listed European company operating in an industry characterized by high exposure to ESG-related issues.

Pandora A/S's choice is based on specific theoretical and methodological reasons. On the one hand, the company operates along a complex and globalized value chain that is highly exposed to environmental, social, and reputational risks. On the other hand, in recent years, it has shown a growing strategic commitment to sustainability, accompanied by a gradual strengthening of its reporting practices. This makes it a particularly suitable case study for observing how a relatively advanced company is addressing the challenges introduced by the new European regulations and how it interprets key concepts such as double materiality, the integration of ESG information, and external assurance in practice.

The analysis is based on a systematic examination of the sustainability reports and annual financial statements published by Pandora A/S in the period 2019–2024, allowing us to distinguish three regulatory phases: the period of full application of the NFRD, the transition phase to the CSRD, and the first evidence of effective application of the new requirements and ESRS. This approach makes it possible to capture the evolution of reporting practices over time, going beyond a static assessment of information outputs and focusing on organizational and decision-making adaptation processes.

This study offers several contributions. First, it contributes to the academic debate on mandatory ESG disclosure by integrating institutional theory, legitimacy theory, information economics, and stakeholder theory to assess whether regulatory intervention can foster more credible and accountability-oriented sustainability reporting. Second, by adopting a qualitative longitudinal case study approach, the study provides empirical evidence on how firms operationalize the transition from the NFRD to the CSRD over time, shedding light on the distinction between formal compliance and substantive organizational change. In addition, the study offers relevant practical implications for regulators, companies, and stakeholders by highlighting both the transformative potential of the CSRD and the critical challenges that remain unresolved, particularly with regard to the measurement and communication of the economic and financial effects of ESG impacts, risks, and opportunities.

This thesis is structured as follows. Chapter 2 reviews the relevant literature and outlines the theoretical framework underpinning the analysis, with particular attention to mandatory ESG disclosure and the regulatory transition from the NFRD to the CSRD. Chapter 3 presents the

research design, methodology, and case study of Pandora A/S. Chapter 4 discusses the empirical findings and their theoretical, organizational, and regulatory implications. Chapter 5 concludes the thesis by summarizing the main contributions, limitations, and directions for future research.

CHAPTER 2 – LITERATURE REVIEW

2.1 Theoretical foundation of mandatory ESG disclosure

This section outlines the main theoretical perspectives that underpin the analysis of mandatory ESG disclosure and provide the conceptual foundations for interpreting firms' responses to the transition from the NFRD to the CSRD. Rather than offering an exhaustive overview of sustainability theories, the discussion focuses on those approaches that are most relevant for understanding why ESG disclosure regulation emerges, how firms react to regulatory pressure, and whether disclosure leads to substantive organisational change or primarily symbolic compliance.

A first foundational perspective is provided by information economics and disclosure theory, according to which firms disclose information when the expected benefits of transparency outweigh the associated costs (Healy & Palepu, 2001; Verrecchia, 1983). High-quality disclosure can reduce information asymmetries between managers and external stakeholders, lower estimation risk, and improve capital market efficiency (Leuz & Wysocki, 2016). Applied to ESG reporting, this framework explains why sustainability disclosure has progressively gained relevance for investors and financial markets, particularly as environmental and social risks become financially material. However, information economics(Christensen et al., 2021; Leuz & Wysocki, 2016). also highlights a key limitation of voluntary disclosure: firms retain discretion over what and how much to disclose, which may lead to selective, biased, or strategically framed information. This limitation provides a central economic rationale for regulatory intervention in ESG reporting.

Building on this perspective, signalling theory emphasises the strategic use of ESG disclosure as a tool for communicating firm quality and long-term orientation under conditions of uncertainty (Cho et al., 2015). Sustainability reporting allows companies to signal commitment to responsible practices, especially in sectors characterised by high reputational or socio-environmental risk. The credibility of such signals depends critically on standardisation, verifiability, and assurance. From this perspective, mandatory disclosure regimes such as the CSRD can be interpreted as mechanisms designed to enhance the credibility of ESG signals by reducing discretion and increasing comparability. At the same time, signalling theory cautions that disclosure may remain

largely symbolic if signals are not sufficiently constrained by enforcement and verification mechanisms.

A complementary and central interpretative lens is provided by institutional theory, which conceptualises ESG disclosure as a response to coercive, normative, and mimetic pressures arising from the organisational environment (DiMaggio & Powell, 1983; Scott, 2008). Within this framework, sustainability reporting regulation acts as a form of coercive isomorphism, pushing firms toward increasingly homogeneous reporting practices in order to comply with evolving regulatory expectations. Institutional theory is particularly relevant for analysing the European context, where the progressive tightening of non-financial reporting requirements reflects a broader process of institutionalising sustainability within corporate governance. Importantly, this perspective also highlights that compliance with regulation does not necessarily imply substantive change: firms may adopt formal structures and reporting practices while leaving underlying decision-making processes largely unaffected.

This distinction between substantive and symbolic compliance is further developed by legitimacy theory, which interprets ESG disclosure as a means through which firms seek to maintain or restore social legitimacy (O'Donovan, 2002; Cho & Patten, 2007). According to this view, companies operating in environmentally or socially sensitive contexts may increase the volume and sophistication of sustainability disclosure in response to external scrutiny, without necessarily improving their actual performance. Prior literature documents how mandatory reporting regimes with high flexibility can unintentionally foster symbolic disclosure practices, particularly when reporting requirements emphasise narrative explanations over measurable outcomes (Michelon et al., 2015; Pizzi et al., 2021). This theoretical insight is crucial for assessing whether the CSRD is capable of overcoming the limitations observed under the NFRD regime.

Finally, stakeholder theory provides an additional normative and interpretative foundation by framing ESG disclosure as a mechanism for responding to the information needs of a broad set of stakeholders beyond shareholders, including employees, customers, regulators, and local communities (Freeman & Phillips, 2002). From this perspective, sustainability reporting is not solely an informational device for capital markets, but also a tool of accountability reflecting a wider conception of corporate responsibility. The increasing prominence of stakeholder-oriented disclosure requirements in the European regulatory framework, particularly through the introduction of double materiality, reflects this theoretical orientation and challenges the traditional primacy of shareholder-focused materiality concepts.

Taken together, these theoretical perspectives suggest that mandatory ESG disclosure emerges at the intersection of economic efficiency, institutional pressure, and legitimacy concerns. They also provide a coherent framework for analysing firms' behavioural responses to regulatory change. They highlight the conditions under which sustainability reporting may lead to substantive organisational transformation, as opposed to formal or symbolic compliance.

2.2 Transition from NFRD to CSRD: regulatory evolution, key shortcomings, and future directions

The European Union has played a decisive role in defining legal frameworks aimed at addressing sustainability challenges, in particular through the introduction of non-financial reporting requirements (European Parliament, 2022). These policies aim to strengthen transparency, accountability and the alignment of corporate activities with global sustainability and climate goals (Gengnagel and Zimmermann, 2022; Busch et al., 2021).

The first significant step was Directive 2014/95/EU on NFRD, adopted in 2014 and entered into force in 2018. It amended Directive 2013/34/EU by requiring large public-interest companies to publish non-financial and diversity information (Directive, 2014). The directive applies to companies with more than 500 employees, approximately 6,000 across the EU, including listed companies, banks and insurance companies (La Torre et al., 2018; Pagani et al., 2021).

The NFRD had two objectives: on the one hand, to promote greater corporate responsibility and, on the other, to harmonise reporting practices in a European context where voluntary reporting prevailed (European Commission, 2014).

The directive allowed the use of different reporting frameworks, such as GRI, UN Global Compact, ISO 26000 and the OECD guidelines (GRI, 2022; 2023), encouraging adaptation but creating a fragmented and incomparable environment (Landén et al., 2021). The NFRD has had the merit of introducing sustainability into corporate governance and stimulating transparency towards stakeholders (Mion and Loza Adaui, 2019). However, its "comply or explain" approach and lack of uniform standards have encouraged greater attention to CSR, but on the other hand have limited the comparability of data and its effectiveness in promoting real systemic change, generating substantial differences in the quality and comparability of information (Macneil and Esser, 2022).

Empirical studies have shown that companies have often responded formally to regulatory requirements, providing descriptive or unverifiable data, a trend interpreted as "symbolic compliance" (Pizzi, Venturelli & Caputo, 2021).

The transition to the CSRD represented a step forward in overcoming the critical issues of the NFRD (Cuomo et al., 2022). It came into force in 2023 and broadens the scope of application to include all large companies with more than 250 employees and, progressively, Small and Medium-sized Enterprises (SME) as well, thus extending reporting obligations to approximately 50,000 European companies (KPMG, 2023).
The CSRD introduces the principle of double materiality, which requires companies to report on the impacts of their activities on people and the environment, as well as the effects of these issues

on their economic performance (EFRAG, 2023). The directive also provides for mandatory external verification of sustainability reports and the digitisation of documents using XHTML format and digital tags to facilitate access to and traceability of information (PricewaterhouseCoopers, 2023).

The ESRS complete the picture, defining cross-cutting and sector-specific criteria to ensure greater consistency and comparability of data (Hoffmann et al., 2018). The CSRD marks a shift towards more standardised, transparent and verifiable reporting, and consolidates the EU's position as a global benchmark in sustainability regulation (European Parliament, 2022).

This regulatory transition, as noted by Velte (2021) and Pizzi et al. (2021), represents a paradigm shift: sustainability is no longer ancillary information, but a structural element of corporate reporting, on a par with economic and financial metrics.

2.3 ESG disclosure under legitimacy and institutional pressures

Building on the theoretical framework outlined in Section 2.1, this section discusses mandatory ESG disclosure as the outcome of legitimacy concerns and institutional pressures that emerged under voluntary and weakly regulated reporting regimes. The introduction of the CSRD can be interpreted as a regulatory response to persistent limitations observed in corporate sustainability disclosure, particularly under the NFRD.

From an institutional theory perspective, the expansion and tightening of ESG reporting requirements in Europe reflect increasing coercive pressures exerted by regulators on firms to standardise disclosure practices (DiMaggio & Powell, 1983; Scott, 2008). The NFRD represented an initial attempt to institutionalise sustainability reporting; however, its flexibility allowed firms significant interpretative discretion, resulting in heterogeneous and often incomparable disclosures. The CSRD strengthens coercive isomorphism by introducing binding standards (ESRS), mandatory assurance, and detailed reporting requirements, thereby reducing discretion and promoting convergence in reporting practices (Hummel & Jobst, 2024; European Commission, 2023).

Legitimacy theory provides a complementary explanation for the regulatory shift. Prior literature shows that firms operating in environmentally or socially sensitive industries often respond to external scrutiny by increasing the volume and sophistication of sustainability disclosure in order to maintain or restore social legitimacy (O'Donovan, 2002; Cho & Patten, 2007). Under the NFRD, this dynamic frequently resulted in symbolic compliance, whereby narrative disclosure was used to manage stakeholder perceptions without necessarily reflecting substantive changes in corporate behaviour (Michelon et al., 2015; Pizzi et al., 2021). The CSRD seeks to mitigate this risk by moving beyond narrative reporting and requiring measurable, verifiable, and auditable information, thereby constraining the use of ESG disclosure as a purely legitimising tool.

Stakeholder theory further supports the rationale for mandatory ESG disclosure by framing sustainability reporting as a mechanism of accountability towards a broad range of stakeholders, including investors, employees, regulators, and local communities (Freeman & Phillips, 2002). The CSRD's emphasis on double materiality explicitly incorporates this stakeholder-oriented logic by requiring firms to disclose not only financially material ESG risks but also the impacts of corporate activities on society and the environment. This represents a departure from a shareholder-centric conception of disclosure and aligns sustainability reporting with broader societal expectations embedded in the European regulatory context.

Despite these regulatory advancements, the literature highlights persistent challenges in translating institutional and legitimacy pressures into substantive organisational change. Several studies note that even under mandatory regimes, firms may continue to adopt formalistic approaches to compliance if reporting standards are complex, enforcement is weak, or key concepts—such as anticipated financial effects—remain difficult to operationalise (Adams et al., 2021). As a result, while regulatory strengthening tends to increase the extent and formalisation of ESG disclosure, its ability to generate genuine accountability and behavioural change remains an empirical question.

Overall, this stream of literature suggests that the CSRD represents an attempt to transform ESG reporting from a legitimacy-oriented communication practice into an institutionalised system of accountability. However, whether this transformation leads to substantive improvements in reporting quality and corporate decision-making depends on how firms interpret and implement the new requirements in practice. This unresolved tension motivates the empirical analysis developed in the following chapters.

2.4 Motivation for the Research Question

Despite the regulatory advances introduced by the CSRD, the literature still highlights significant conceptual and empirical gaps regarding how the new requirements translate into truly effective and comparable reporting practices. A first limitation concerns the clarity and impact of ESG disclosures, an issue often compromised by the difficulty of distinguishing between formal disclosure and substantive performance. Numerous studies (Boiral et al., 2013) have shown that ESG information, despite being more detailed and standardised, can be exploited for legitimisation purposes, reducing it to greenwashing tools rather than reliable indicators of real sustainability. This discrepancy between form and substance, which already emerged during the application of the NFRD (Mion and Loza Adaui, 2019), remains central in the context of the CSRD, where standardisation risks generating more uniform reports, but not necessarily more truthful ones (Michelon et al., 2015), raising questions about the real ability of the new rules to improve the decision-making usefulness of ESG information for investors and stakeholders (Eccles and Krzus, 2018). The most recent literature therefore highlights how only specific and

detailed reporting mandates, combined with strict sanctions, can guarantee transparency and reliability (Papafloratos, 2025; Do et al., 2023).

A second area of research, which is still underdeveloped, concerns double materiality as an operational concept. Although it is one of the innovative pillars of CSRD, the literature highlights its limited translation into quantitative measurement tools or integrated performance assessment models (Adams et al., 2021; EFRAG, 2023b). Double materiality involves simultaneously considering the financial and socio-environmental impact of corporate activities (European Commission, 2022), but its practical application remains vague, particularly with regard to the link between impact indicators and economic results (Schoenmaker and Schramade, 2019). Existing studies tend to treat the concept in a normative or descriptive manner, while empirical analyses of how it can effectively improve the quality and credibility of CSR reporting are lacking. The difficulty of quantifying the "double" impact contributes to a risk of arbitrariness in the selection of material topics, reducing comparability between companies and sectors (Venturelli et al., 2017).

The third cross-cutting gap concerns the understanding of the organisational and institutional mechanisms that mediate companies' responses to regulatory pressures. Although institutional theory offers a useful framework for interpreting compliance behaviour (Scott, 2008), few studies have investigated how companies balance the coercive pressures of the regulatory framework with their own internal sustainability management logic (Bebbington & Unerman, 2018). Research remains fragmented in distinguishing between companies that adopt a substantive approach – integrating sustainability into governance and measurement systems – and those that maintain symbolic compliance (Larrinaga & Bebbington, 2021). In this sense, the implementation of the CSRD represents an open field for investigating whether and how regulation can truly transform corporate sustainability practice in the direction of authentic and measurable accountability. Addressing these gaps requires an in-depth analysis of how firms interpret, operationalise, and integrate new reporting requirements over time, rather than a static assessment of disclosure outcomes. In this context, a longitudinal case study approach allows for a detailed examination of organisational adaptation processes and the interaction between regulatory pressure, governance structures, and reporting practices during the transition from the NFRD to the CSRD.

CHAPTER 3 DATA AND METHODOLOGY

3.1 Research design and case organisations

This chapter adopts a qualitative longitudinal research design based on the analysis of a single case study. This methodological approach is consistent with the research objectives outlined in Chapter 2, which aim to understand how and to what extent the strengthening of the European regulatory framework on sustainability reporting, in particular the transition from the NFRD to the CSRD, translates into concrete developments in ESG disclosure practices.

The longitudinal approach allows us to observe organisational adaptation processes, interpretative choices and progressive transformations in the information architecture over time, going beyond a static reading of reporting. In this sense, the case study is a particularly suitable tool for analysing complex and institutionally driven phenomena, such as those related to the implementation of new reporting rules, which are difficult to grasp through purely quantitative analysis (Eisenhardt K. M, 1989).

The analysis covers the period between 2019 and 2024, which allows us to distinguish three clearly differentiated regulatory phases. The first phase (2019–2022) corresponds to a context of well-established application of the NFRD. The second phase (2023) represents a transition period towards the new regulatory framework introduced by the CSRD characterised by a gradual adaptation of reporting practices to the emerging principles of double materiality. The third phase coincides with the first effective application of the CSRD and the ESRS, in which sustainability information is integrated into the 2024 annual financial statements, marking the transition from a separate reporting model to a fully integrated reporting system.

This timeline allows us to assess whether the regulatory change will produce a substantial qualitative transformation of ESG disclosure or whether it will mainly result in a formal adjustment.

3.2 Pandora Aktieselskab (A/S)

The selected case study is Pandora Aktieselskab (A/S), a Danish group operating in the affordable luxury jewellery sector.

Pandora is a jewellery manufacturer founded in 1982 in Copenhagen by Per and Winnie Enevoldsen. It is known for its customisable bracelets, rings and necklaces. The company has a production facility in Thailand and markets its products in over 100 countries on six continents with more than 7,000 points of sale (Pandora Jewels, 2011).

By 2011, Pandora was already the world's third-largest jewellery manufacturer in terms of volume, after Cartier and Tiffany & Co., consolidating its position as a global player in the

affordable jewellery sector. From an economic perspective, in 2017 the group recorded a turnover of €3.1 billion, with annual growth of 12%, driven mainly by the US, UK and Italian markets.

In recent years, Pandora has significantly strengthened its strategic focus on sustainability. In 2020, the company announced its commitment to using only recycled gold and silver, phasing out the use of metals from mining activities. In 2021, it also declared the complete elimination of mined diamonds, replacing them with lab-created diamonds, in line with a strtegy to reduce the environmental and social impact of its value chain. (Pandora , 2021)

The choice of Pandora is not random, but responds to a series of theoretical and methodological criteria that make the company a particularly informative case for the research objectives.

Pandora can be considered a "critical" or "revealing" case in the sense that it operates in a sector characterised by high exposure to ESG issues, especially with regard to the sourcing of raw materials, the environmental impact of production, working conditions along the value chain and ethical issues related to the extraction of metals and precious stones. These characteristics make ESG disclosure not only relevant, but also subject to close scrutiny by stakeholders, investors and regulators.

The company meets the minimum requirements for CSRD application as it is a large listed European company, subject to the main EU directives on non-financial reporting, and has a relatively advanced reporting structure in place in the pre-CSRD period (Pandora, 2023).

In recent years, Pandora has explicitly integrated sustainability into its corporate strategy, setting clear environmental and social objectives (e.g. in terms of decarbonisation, the circular economy and responsible sourcing) and accompanying them with intensive communication and reporting activities. In this sense, the company can be considered an "early mover" or, at the very least, a particularly responsive player in relation to regulatory and institutional pressures (Pandora, 2024).

The analytical value of the case lies precisely in the possibility of observing the tensions between performance, disclosure and regulatory compliance in a company that, despite being advanced in terms of reporting, is faced with the operational and interpretative complexities introduced by the CSRD.

While Pandora represents a relatively advanced case in terms of ESG reporting, its selection does not aim to reflect the "average" firm, but rather to provide a theoretically informative case. In line with qualitative case study methodology (Eisenhardt, 1989), the objective is not statistical representativeness, but analytical generalisation.

In this sense, Pandora can be interpreted as a "critical case", as it allows the observation of how a firm with relatively strong organisational capabilities responds to the transition from the NFRD to the CSRD. If even an advanced company faces difficulties in operationalising key

concepts such as double materiality or the quantification of financial effects, these challenges are likely to be even more pronounced among less mature firms.

At the same time, Pandora also reflects several characteristics that are common among large European listed companies subject to the CSRD, such as exposure to global value chains, increasing stakeholder pressure, and progressive alignment with international reporting frameworks. This makes the case not fully representative, but still informative of broader dynamics affecting ESG reporting in Europe.

3.3 Data Collection

Data collection is based on a systematic document analysis of official primary sources, in line with the qualitative and longitudinal research design adopted. In particular, the study focuses primarily on the reporting documents published by Pandora A/S, in order to ensure the reliability of the information, the traceability of the sources and consistency with the objectives of European legislation on sustainability disclosure.

The analysis includes sustainability reports for the period 2019–2022, published in the context of the NFRD, the 2023 Sustainability Report, which represents the transition phase to the new regulatory framework introduced by the CSRD, and the 2024 Annual Report, which is the first example of reporting fully compliant with the CSRD and the ESRS, with the integration of sustainability information into the annual financial statements in the form of Sustainability Statements.

The documents were collected through the company's institutional channels, in particular the corporate website and the investor relations section, and organised in chronological order to allow for a consistent longitudinal comparison.

The decision to focus exclusively on official sources responds to the need to analyse ESG disclosure as formally conceived, approved and communicated by the company, reflecting the strategic and compliance choices adopted in response to developments in the European regulatory framework.

This approach allows for systematic observation of the evolution of the structure, content and methodological criteria of sustainability reporting, assessing whether and to what extent the transition from the NFRD to the CSRD translates into a substantial improvement in the quality of information, beyond mere formal compliance with the new regulatory requirements.

In addition to sustainability reports and annual reports, the analysis also considers complementary elements such as the use of recognised reporting frameworks (e.g. GRI, SASB, TCFD, ESRS), the presence of external assurance, and the level of integration between financial and non-financial disclosure. These elements are used as additional indicators to assess the evolution of reporting quality over time.

CHAPER 4. DISCUSSION AND IMPLICATIONS OF THE TRANSITION: FROM NFRD TO CSRD

This chapter analyses the main implications of the transition from the NFRD to the CSRD, in light of the evidence that emerged from the analysis of the Pandora A/S case. The aim is to systematically discuss how the strengthening of the European regulatory framework affects not only reporting practices, but also theoretical reference models, corporate organizational and managerial structures, regulatory design, and the informative role of ESG disclosure for stakeholders and financial markets. Through an integrated reading of the theoretical, organizational, regulatory, and market dimensions, the chapter helps to clarify the structural scope of the change introduced by the CSRD and the challenges still open in its implementation.

4.1 Analysis of sustainability reporting in the pre-CSRD period (2019–2022)

In light of the theoretical framework outlined in Chapter 2, the literature converges in considering that the NFRD, despite having played a fundamental role in promoting the dissemination of non-financial disclosure, has left companies with ample room for interpretative discretion, favouring heterogeneous reporting practices that are often more oriented towards legitimisation than towards the substantive measurement of socio-environmental performance (Michelon et al., 2015).

An analysis of the reporting documents published by Pandora A/S in the period 2019–2022 provides a concrete example of how a large listed European company has interpreted and applied the requirements of the NFRD, while also highlighting a gradual process of adaptation towards the principles that will subsequently be formalised by the CSRD.

In its 2019 Sustainability Report, Pandora fully complies with the NFRD regulatory framework, presenting its sustainability reporting as an integral part of the company's information system and as a tool for fulfilling the obligations set out in the Danish legislation transposing the directive. The content of the report is mainly narrative and strongly focused on describing the company's sustainability strategy and commitments, with particular emphasis on issues such as the transition to a low-carbon business model, the circular economy and inclusiveness. At this stage, disclosure focuses mainly on the policies adopted and medium- to long-term objectives, while the presence of quantitative indicators is limited and not included in a structured system of Key Performance Indicators that are comparable over time (Pandora, 2019). This consistently reflects the structural criticalities of the NFRD highlighted in the literature, in particular the prevalence of a descriptive and strategic approach at the expense of the measurability and verifiability of information (Adams et al., 2021). In this context, sustainability appears primarily

as a tool for communication and legitimisation vis-à-vis stakeholders, rather than as an information system fully integrated into corporate decision-making processes (O'Donovan, 2002).

A first qualitative improvement emerges in the 2020 Sustainability Report, in which Pandora adopts a more structured methodological approach, explicitly stating its use of the Global Reporting Initiative Standards (GRI) and referring to other international frameworks such as the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD). The introduction of a formal materiality process, based on GRI principles and supported by stakeholder involvement, represents a significant step towards more systematic disclosure (Pandora, 2020). Materiality remains predominantly oriented towards the "inside-out" perspective typical of the GRI model, without full integration of the financial dimension of ESG risks and opportunities.

In the following period, the trajectory of strengthening reporting continues and in the 2021 Sustainability Report, Pandora integrates sustainability objectives more stringently into its corporate strategy, introducing climate targets approved by the Science Based Targets initiative, indicating that 54% of the silver and gold used in its products comes from recycled sources, and describing audit and traceability initiatives along the supply chain. This approach responds to one of the main critical issues of the NFRD, namely the tendency to focus exclusively on direct operational activities, neglecting the most significant indirect impacts (La Torre et al., 2018). The intertemporal comparability of data remains partially limited, as some metrics will only be introduced from 2023 onwards.

The 2022 Sustainability Report represents a turning point in the pre-CSRD period, marking an explicit convergence towards the new European regulatory paradigm. In this document, Pandora declares its intention to adopt the principle of double materiality and to progressively align its reporting with the emerging requirements of the CSRD and the European Sustainability Reporting Standards. The introduction of a more structured and documented materiality assessment, supported by external consultants, highlights how institutional pressures exerted by the new regulatory framework have begun to produce anticipatory effects on the behaviour of the most advanced companies (DiMaggio and Powell, 1983; EFRAG, 2023).

Overall, analysis of the 2019–2022 period shows that Pandora's ESG reporting is gradually evolving from predominantly narrative and strategic disclosure towards a more structured, measurable and verifiable model. However, this evolution does not completely eliminate the typical limitations of the NFRD regime, particularly in terms of comparability, integration and assessment of the economic and financial effects of ESG issues. This makes the Pandora case particularly suitable for assessing whether and to what extent the introduction of the CSRD is capable of producing a substantial improvement in the quality of information, going beyond the logic of mere formal compliance.

4.2 Analysis of sustainability reporting in the post-CSRD period (2023–2024)

The period 2023–2024 represents a crucial phase of transition and initial application of the new European regulatory framework introduced by the CSRD. An analysis of the reporting documents published by Pandora A/S shows how a company with a relatively well-structured ESG disclosure system has managed the transition from a separate reporting model to an integrated and standardised reporting system in accordance with the ESRS.

In its 2023 Sustainability Report, Pandora explicitly places its reporting within the process of preparing for the entry into force of the CSRD, recognising the structural nature of the regulatory change compared to the previous regime. In particular, the report assigns a central role to double materiality assessment, defined as a strategic tool for identifying, evaluating and prioritising relevant impacts, risks and opportunities (IROs) throughout the value chain, in line with the emerging requirements of European legislation (Pandora, 2023).

From a methodological point of view, the double materiality assessment described in the 2023 report is consistent with the CSRD and ESRS guidelines in several respects. The analysis integrates both perspectives provided for in the new regulatory framework: the "inside-out" dimension, relating to the actual and potential impacts of corporate activities on the environment and society, and the "outside-in" dimension, referring to ESG risks and opportunities that can influence the economic and financial performance of the company. Pandora states that it has extended the analysis to the entire value chain and involved a wide range of internal and external stakeholders, including investors, suppliers, civil society organisations and public institutions (Pandora, 2023).

From a comparative perspective with the pre-CSRD period, one element that stands out is the integration of double materiality with governance and risk management systems. It is highlighted that the materiality process has been aligned with the enterprise risk management system and subjected to a preliminary review by an independent third party, anticipating the assurance requirements of the CSRD. The results of the analysis were approved by the Sustainability Board and subsequently presented to the Board of Directors, strengthening the role of top management in overseeing ESG issues (Pandora, 2023; European Commission, 2022).

Despite these methodological advances, the 2023 Sustainability Report still maintains a reporting structure that is separate from the financial statements, and disclosure is mainly focused on describing sustainability policies, strategies and objectives, while the explanation of the expected economic and financial effects of ESG impacts, risks and opportunities appears limited. In fact, the quantification of the so-called anticipated financial effects, a central element introduced by the ESRS, has not yet been developed in a systematic manner, confirming the

operational difficulties highlighted in the literature in the initial phase of CSRD implementation (Adams et al., 2021).

A substantial change emerges with the 2024 Annual Report, which is the first example of fully integrated reporting prepared in accordance with the CSRD and ESRS. The document marks the transition from a standalone sustainability reporting model to an integrated reporting system, in which Sustainability Statements replace the previous Sustainability Report and become an integral part of the annual financial statements, in accordance with the Danish Financial Statements Act (Pandora, 2024).

In the 2024 report, double materiality plays a structural role in the selection and organisation of ESRS disclosures. The company specifies that the assessment has been updated and refined in accordance with the materiality thresholds defined by the European framework and that the results are used as a basis for identifying the information to be reported (Pandora, 2024).

In terms of content, analysis of the 2024 report highlights a significant strengthening of the procedural and methodological aspects of sustainability reporting, accompanied, however, by some persistent critical issues. For numerous environmental and social issues considered material, Pandora provides detailed information on policies, actions, objectives and performance indicators, as well as quantitative data on emissions, the use of recycled materials and diversity in leadership. On the other hand, disclosures on the prospective economic and financial effects of ESG impacts, risks and opportunities are less developed and often limited to qualitative descriptions, confirming the difficulties of translating the principle of double materiality into comparable financial metrics in the initial phase of CSRD implementation (EFRAG, 2023).

The 2024 report also introduces a system of external assurance, albeit in a limited form, on Sustainability Statements and information incorporated by reference, representing a further step forward compared to the previous period. This contributes to increasing the credibility and reliability of ESG disclosure, in line with the CSRD's objective of reducing the risk of symbolic reporting and strengthening the accountability of governance bodies (Michelon et al., 2015).

2023 can be interpreted as a year of methodological and organisational preparation, characterised by the introduction and consolidation of double materiality as a central strategic tool. 2024, on the other hand, represents the first attempt to translate this methodological framework into an integrated and standardised reporting system. The critical issues encountered in quantifying the economic and financial effects of ESG issues suggest that the full achievement of the CSRD's information objectives will require a further period of adaptation, confirming the observations in the literature on the complexity of applying the new regulatory paradigm.

4.3 Summary of the findings

In the pre-CSRD period (2019–2022), the company's reporting is fully in line with the NFRD, as the sustainability reports are mainly narrative in structure, with a strong emphasis on strategies, commitments and policies adopted, while the presence of standardised quantitative indicators is limited and intertemporal comparability is partial. Materiality is defined according to a predominantly "inside-out" approach, consistent with the voluntary frameworks adopted, and disclosure appears to be mainly oriented towards communication and legitimisation vis-à-vis stakeholders, elements that have contributed to significant heterogeneity in reporting practices and limited intertemporal and inter-company comparability (Michelon et al., 2015; La Torre et al., 2018; Adams et al., 2021).

Starting in 2022, signs of convergence towards the new paradigm introduced by the CSRD are emerging. At this stage, Pandora explicitly declares its intention to adopt the principle of double materiality and initiates a more structured process of identifying relevant issues, supported by external consultants and greater stakeholder involvement. This step signals the beginning of a process of early adaptation to the institutional pressures exerted by the new European regulatory framework (DiMaggio and Powell, 1983; EFRAG, 2023).

A further result concerns the evolution of the level of integration between financial and non-financial reporting. While in the pre-CSRD period sustainability reporting was structurally separate from the financial statements, the 2024 Annual Report marks the transition to an integrated reporting model, in which Sustainability Statements are incorporated into the annual financial document. This change reflects one of the main innovations introduced by the CSRD and represents concrete evidence of the attempt to overcome the traditional separation between economic-financial performance and ESG performance, which has been widely criticised in previous literature (Eccles and Krzus, 2010; Christensen et al., 2018).

The case highlights a persistent asymmetry between methodological progress and information content, particularly with regard to the quantification of the economic and financial effects of ESG impacts, risks and opportunities. Despite the strengthening of materiality, governance and assurance processes, disclosures relating to so-called anticipated financial effects are still predominantly qualitative in the initial phase of CSRD implementation, highlighting the operational and conceptual difficulties associated with translating double materiality into robust and comparable financial metrics (Adams et al., 2021; Sharma, 2025).Taken together, these findings outline a path of gradual transformation of sustainability reporting practices, in which regulatory strengthening acts as a catalyst for progressive change rather than a factor of immediate discontinuity.

This chapter analyses the main implications of the transition from the NFRD to the CSRD, in light of the evidence that emerged from the analysis of the Pandora A/S case. The aim is to systematically discuss how the strengthening of the European regulatory framework affects not only reporting practices, but also theoretical reference models, corporate organizational and managerial structures, regulatory design, and the informative role of ESG disclosure for stakeholders and financial markets. Through an integrated reading of the theoretical, organizational, regulatory, and market dimensions, the chapter helps to clarify the structural scope of the change introduced by the CSRD and the challenges still open in its implementation.

4.4 Theoretical implications: from symbolic disclosure to regulated accountability

The analysis developed in the previous chapter allows us to draw a series of relevant theoretical implications regarding the regulation of sustainability reporting and, more generally, the role of European policies in the process of institutionalising corporate sustainability. In particular, the Pandora A/S case confirms that the transition from the NFRD to the CSRD represents a structural change in the non-financial reporting paradigm, rather than a simple incremental strengthening of existing disclosure practices.

From a theoretical point of view, the results reinforce the institutional interpretation already discussed in Chapter 2, according to which the evolution of the European regulatory framework acts as a powerful mechanism of coercive isomorphism, progressively reducing the heterogeneity of reporting practices and limiting the interpretative discretion of companies (Scott, 2008). During the period of full implementation of the NFRD (2019–2020), Pandora's disclosure is characterised by a strong narrative and strategic emphasis, with predominantly descriptive information geared towards communicating the company's sustainability commitments rather than systematically measuring performance and impact. This configuration is consistent with the findings of the literature on symbolic compliance, according to which regulatory flexibility encourages selective and difficult-to-compare disclosure practices (Michelon et al., 2015; Pizzi et al., 2021).

Starting in 2021, however, the analysis shows a gradual tightening of the reporting framework, with the introduction of more structured frameworks, a strengthening of the materiality process and greater attention to the traceability of information along the value chain. This change anticipates the effects of institutional pressures associated with the future introduction of the CSRD and confirms that the strengthening of the regulatory framework is pushing the most advanced companies to gradually adapt, even before the new rules formally come into force.

The introduction of the CSRD and ESRS radically changes this structure, imposing a more binding, standardised and verifiable reporting system that reduces the possibility of using sustainability as a mere communication tool. As clearly emerges from Pandora's 2024 Annual Report, sustainability is integrated into financial reporting through Sustainability Statements, marking the transition from autonomous disclosure to regulated responsibility, in which ESG information takes on a structural role in corporate information systems.

Another important theoretical contribution concerns the interpretation of the principle of double materiality, which has emerged as a key element of the new regulatory paradigm and represents a departure from the traditional financial concept of materiality. In the case of Pandora, double materiality was first referred to in a programme in 2022, then formalised in 2023, and finally implemented in 2024 by integrating the 'outside-in' and 'inside-out' approaches (EFRAG, 2023).

This confirms the observations of Adams et al. (2021), who argue that double materiality broadens a company's information and decision-making horizon, challenging the exclusive centrality of shareholders and bringing reporting closer to a stakeholder-oriented logic. However, the analysis suggests that the operational translation of this principle remains complex and incomplete, highlighting a significant theoretical gap in the literature: the lack of established models for systematically linking socio-environmental impacts and economic-financial performance.

4.5 Organisational and managerial implications: sustainability as a governance issue

From a managerial perspective, the Pandora case study illustrates that implementing the CSRD necessitates a significant transformation of companies' organisational structures, extending far beyond merely adapting reporting documents. The transition to an integrated reporting model, in which sustainability statements become an integral part of annual financial reports, requires the redefinition of roles and responsibilities, as well as the way internal information is shared.

Between 2019 and 2020, sustainability management at Pandora appears to have been primarily concentrated within specific functions, with minimal involvement from governance and risk management systems. From 2021 onwards, however, the analysis shows a gradual strengthening of the role of top management, with ESG objectives being integrated into corporate strategy and medium- to long-term decision-making processes. This process culminates in the post-CSRD era, when double materiality is explicitly linked to enterprise risk management and comes under the remit of the board of directors.

This evidence is consistent with recent literature suggesting that the CSRD promotes greater accountability among top management and strengthens the link between sustainability, strategy, and risk management (Hummel & Jobst, 2024; Sharma, 2025). The Pandora case demonstrates that the most progressive companies tend to adopt a proactive stance, leveraging CSRD to streamline and coordinate existing practices rather than merely complying with regulations.

This adaptability requires organisational resources, specialist skills, and adequate information systems. The literature highlights that these conditions are not evenly distributed among companies, which could lead to asymmetries in the implementation of the regulation (Sharma, 2025). A critical issue that emerges concerns the quantification of the expected financial effects of ESG impacts, risks and opportunities. While the CSRD explicitly requires the disclosure of anticipated financial effects, the Pandora case study demonstrates that even well-organised companies struggle to translate these effects into reliable and comparable metrics, thus confirming the concerns raised by Adams et al. (2021).

4.6 Regulatory implications: standardisation, comparability and new asymmetries

From a public policy perspective, the study's findings reinforce the idea that the CSRD represents one of the most ambitious regulatory interventions globally in the field of sustainability reporting (Christensen et al., 2021). The shift from a "comply or explain" approach to a system based on detailed standards, mandatory assurance and digitalisation of reporting contributes to significantly reducing the scope for arbitrariness and improving the comparability of information (European Parliament, 2022).

The longitudinal analysis of the Pandora case shows how this process is developing gradually: during the NFRD period, comparability remains limited, while as the CSRD approaches, the reporting structure is becoming progressively more aligned with European requirements, until full integration in 2024. For large listed companies, the CSRD can therefore be interpreted not only as a constraint but also as a strategic opportunity, strengthening the credibility of ESG information and improving dialogue with financial markets. This result is consistent with the findings of Sharma (2025), which show that companies with greater resources tend to adopt acquiescence strategies and turn compliance into a competitive advantage.

These findings raise important regulatory questions. In particular, there is a risk that the CSRD will accentuate the differences between large and small companies, creating new forms of regulatory inequality linked to the availability of resources, skills and digital infrastructure. In the absence of adequate support and proportionality mechanisms, standardisation could result in

burdensome compliance for certain categories of companies, limiting their ability to adopt substantive approaches to sustainability.

4.7 Implications for stakeholders and financial markets

From the perspective of stakeholders and financial markets, the progressive integration of sustainability into corporate reporting, as reinforced by the transition from the NFRD to the CSRD, substantially redefines the informative function of ESG disclosure. As emphasised in business and economics literature, the quality and reliability of non-financial information are crucial for reducing information asymmetries between companies and stakeholders, enhancing market efficiency, and facilitating more informed decision-making processes (Verrecchia, 1983).

Within the NFRD framework, ESG disclosure was characterised by significant methodological heterogeneity and limited comparability. These factors diminished its usefulness for investors and financial analysts (Michelon et al., 2015; Macneil & Esser, 2022). As demonstrated in Chapter 3, during the 2019–2020 period, Pandora A/S's reporting primarily addressed transparency requirements for a broad range of stakeholders, favouring a strategic, value-based narrative of sustainability. While this information was particularly relevant for non-financial stakeholders, it still offered limited insight into ESG risk assessment by financial markets (Schadewitz and Niskala, 2010).

From 2021 onwards, Pandora's disclosure practices gradually became more robust in terms of the information provided, in line with the structured adoption of international frameworks and the introduction of formalised materiality processes. This reflects a realignment with institutional investors' expectations, as they increasingly focus on integrating ESG factors into their risk and long-term performance assessments (Christensen et al., 2018). Currently, materiality is still largely oriented towards an 'inside-out' perspective, which limits the ability of disclosure to support the full integration of ESG information into financial valuation models.

A significant turning point for stakeholders is expected to occur in the period 2023–2024, when the CSRD comes into force and the ESRS are adopted. The introduction of the principle of double materiality and the integration of sustainability statements into annual financial reports marks a qualitative change in the function of ESG disclosure. It shifts from being a primarily communicative tool to becoming a structural component of economic and financial information. As discussed in Chapter 3, Pandora is starting to systematically link ESG impacts, risks, and opportunities to risk management processes and corporate strategy, thereby increasing the relevance of this information for investors, analysts, and financial institutions.

This development is consistent with the findings of Ioannou and Serafeim (2017), who argue that the introduction of more stringent and standardised disclosure requirements helps to improve the quality of information, reducing information asymmetries and strengthening the confidence of financial stakeholders. The assurance requirement under the CSRD is a further element in strengthening the credibility of ESG information, responding to past criticism of the lack of verifiability of non-financial reporting (Boiral et al., 2019; Sharma, 2025).

In line with stakeholder theory, the Pandora case suggests that the CSRD encourages companies to broaden their scope of disclosure, responding to the expectations of a variety of stakeholders and strengthening the link between sustainability, trust and social legitimacy (Freeman & Phillips, 2002). In this new context, ESG disclosure is no longer exclusively oriented towards the capital market, but takes on a function of accountability towards different stakeholders, reflecting the European Union's growing focus on a more inclusive concept of value creation (European Parliament, 2022).

The literature warns that an increase in the quantity and complexity of information could result in information overload, reducing the usability of data for stakeholders (Karwowski & Raulinajtys-Grzybek, 2021). In the Pandora case, the analysis also suggests that despite strengthening the information structure, a full understanding of the economic and financial effects of ESG impacts remains limited, particularly with regard to quantifying anticipated financial effects. This limitation corroborates the findings of Adams et al. (2021) and underscores that the CSRD's capacity to deliver tangible benefits to stakeholders and financial markets hinges not only on formal standardisation, but also on the clarity, relevance, and concision of the information furnished.

Overall, the evidence suggests that the transition from the NFRD to the CSRD has gradually strengthened the role of ESG disclosure as an information tool for stakeholders and financial markets, while leaving some operational issues unresolved. In this sense, the CSRD can be interpreted as a decisive step towards greater integration between sustainability and financial reporting. Its effects will be fully realized only if companies can translate regulatory requirements into useful, understandable, decision-oriented disclosures.

CHAPER 5. CONCLUSION

5.1 Academic implications

This study contributes to the academic literature on ESG disclosure and mandatory sustainability reporting by providing empirical evidence on how firms respond to the transition from the NFRD to the CSRD within the European context.

First, the findings reinforce the relevance of institutional theory in explaining corporate responses to regulatory change. Consistent with prior studies, the transition from the NFRD to the CSRD can be interpreted as an intensification of coercive pressures that progressively reduce managerial discretion and promote convergence in reporting practices (DiMaggio & Powell, 1983; Scott, 2008). The evidence from the Pandora case shows that regulatory strengthening does not lead to an immediate transformation, but rather to a gradual process of organisational adaptation, supporting the view that institutional change unfolds incrementally over time rather than through abrupt shifts.

Second, the study contributes to the literature on symbolic versus substantive disclosure by providing longitudinal evidence on how firms move along this spectrum. In line with prior research highlighting the prevalence of symbolic compliance under flexible reporting regimes (Michelon et al., 2015; Pizzi et al., 2021), the analysis confirms that ESG disclosure under the NFRD is predominantly narrative and legitimacy-oriented. However, the introduction of the CSRD appears to constrain purely symbolic practices by requiring more structured, standardised, and verifiable information. At the same time, the findings suggest that the shift towards substantive disclosure is partial and incomplete, as important areas—such as the quantification of financial effects—remain underdeveloped. This supports the argument that regulation can enhance disclosure quality, but does not automatically ensure substantive accountability (Adams et al., 2021).

Third, the study offers empirical insights into the operationalisation of double materiality, a concept that remains underexplored in the literature. While prior research has largely treated double materiality as a normative or conceptual framework (Adams et al., 2021; Schoenmaker & Schramade, 2019), this study shows how firms attempt to translate it into practice through governance structures, risk management integration, and reporting processes. However, the findings also highlight persistent difficulties in linking socio-environmental impacts with economic and financial outcomes, confirming the lack of established measurement models identified in previous studies (EFRAG, 2023; Adams et al., 2021).

Finally, this research contributes methodologically by adopting a qualitative longitudinal case study approach, which allows for a process-oriented understanding of ESG reporting evolution. While much of the existing literature relies on cross-sectional or quantitative analyses, this study highlights the importance of examining how reporting practices develop over time in response to regulatory pressures (Eisenhardt, 1989). In doing so, it provides a more nuanced understanding of the dynamic relationship between regulation, organisational change, and disclosure practices.

Overall, the findings support the view that the CSRD represents a significant step towards the institutionalisation of sustainability reporting in Europe, while also highlighting that the transformation from symbolic disclosure to regulated accountability remains an ongoing and incomplete process.

5.2 Practical implications

The findings of this study provide relevant implications for practitioners, including companies, regulators, and financial market participants involved in the implementation and use of ESG disclosure.

From a corporate perspective, the results highlight that compliance with the CSRD requires more than a formal adaptation of reporting practices. The transition observed in the Pandora case shows that firms need to invest in internal capabilities, governance structures, and information systems in order to effectively implement the new requirements. In particular, the integration of sustainability into risk management processes and decision-making structures emerges as a key condition for moving beyond symbolic disclosure. This suggests that companies should treat CSRD compliance not as a reporting exercise, but as a strategic and organisational transformation process, requiring cross-functional coordination and top management involvement.

At the same time, the findings reveal that even relatively advanced firms face significant challenges in operationalising core elements of the CSRD, especially regarding the quantification of the financial effects of ESG risks and impacts. This implies that companies may need to develop new measurement tools, improve data collection processes, and strengthen internal expertise in sustainability accounting. Without these developments, there is a risk that disclosure remains formally compliant but limited in decision-usefulness.

From a regulatory perspective, the study suggests that while the CSRD represents a major step forward in enhancing standardisation and comparability, its effectiveness depends on the practical implementability of its requirements. The difficulties observed in applying concepts such as double materiality and anticipated financial effects indicate the need for further guidance, clarification, and possibly sector-specific support. In addition, the findings highlight the risk that the complexity of the new framework may generate uneven implementation across firms, particularly between large companies with greater resources and smaller organisations with more limited capabilities. This suggests that regulators should consider mechanisms to ensure proportionality and support in the implementation process.

From the perspective of investors and financial stakeholders, the transition to more structured and standardised ESG reporting has the potential to significantly improve the reliability and comparability of non-financial information, supporting more informed decision-making. However, the study also shows that, at least in the early stages of CSRD implementation, some disclosures remain predominantly qualitative, particularly those related to future financial impacts. This implies that users of ESG information should adopt a critical and cautious approach, recognising both the improvements introduced by the CSRD and the current limitations in the maturity of reported data.

Finally, the findings suggest that the CSRD may progressively reshape the role of ESG disclosure from a communication tool to a core component of corporate accountability and financial transparency. However, the extent to which this transformation materialises in practice will depend on how effectively companies, regulators, and stakeholders address the operational challenges highlighted in this study.

5.3 Limitations

This study is subject to several limitations that should be acknowledged when interpreting the results.

First, the research is based on a single case study, which does not allow for statistical generalisation across firms or industries. While the qualitative longitudinal approach provides in-depth insights into organisational processes and reporting evolution, the findings should be interpreted as analytical rather than statistical generalisations (Eisenhardt, 1989).

Second, the selected case—Pandora A/S—represents a relatively large and advanced company in terms of ESG reporting practices. As such, it may not fully reflect the behaviour of firms with lower levels of sustainability integration or fewer organisational resources. This introduces a potential bias, as the challenges and adaptation processes observed in this study may differ in intensity or nature for smaller firms or less mature organisations.

Third, the analysis relies exclusively on publicly available corporate reports, which reflect how companies choose to communicate their ESG practices rather than providing direct evidence of underlying organisational behaviour. As highlighted in the literature, sustainability disclosure may still be influenced by strategic communication and legitimacy considerations (Michelon et al., 2015; Cho & Patten, 2007). Therefore, it is not possible to fully disentangle whether observed changes represent substantive transformation or more sophisticated forms of compliance.

Finally, the study adopts a qualitative content analysis approach, which, although structured and theory-driven, involves an element of interpretative judgement. While consistent criteria have been applied throughout the analysis, the absence of a quantitative scoring system may limit the comparability of results and introduces potential subjectivity in the assessment of disclosure quality.

5.4 Future Research

Building on these limitations, several avenues for future research can be identified.

First, future studies could adopt a multiple-case study approach to compare how different firms—across industries, countries, or levels of ESG maturity—respond to the implementation of

the CSRD. This would allow for a more nuanced understanding of how organisational characteristics and contextual factors influence reporting practices.

Second, there is scope for quantitative research examining the impact of the CSRD on ESG disclosure quality across a larger sample of firms. Such studies could develop scoring models or indices to assess changes in standardisation, comparability, and decision-usefulness of sustainability information over time.

Third, further research is needed to explore the operationalisation of double materiality, particularly with regard to the quantification of financial effects. Given the difficulties highlighted both in this study and in the literature (Adams et al., 2021; EFRAG, 2023), future work could focus on developing measurement frameworks or empirical models that better integrate socio-environmental impacts with financial performance.

Another promising direction concerns the analysis of small and medium-sized enterprises (SMEs), which will progressively fall within the scope of the CSRD. Given their more limited resources and capabilities, SMEs may face significantly different challenges in implementing the new reporting requirements, raising important questions about proportionality and regulatory effectiveness.

Finally, future research could extend the time horizon of analysis to assess the long-term effects of the CSRD, particularly whether the initial improvements in reporting structure and methodology observed in early adoption phases translate into sustained enhancements in transparency, accountability, and corporate decision-making.

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During the preparation of this thesis, the author used to support specific aspects of the writing process, such as structuring arguments, summarising literature, and refining the organisation of the content. All AI-generated material was carefully reviewed, critically assessed, and revised by the author, who assumes full responsibility for the final content of this work.