CSRD reporting benchmark study on Finnish companies

April 2025

Foreword

During year 2024 we encountered new sustainability reporting regulation, and in many companies, there has been huge efforts to implement new reporting framework into company's year-end reporting processes. It was noted on before-hand that there will be big change around the sustainability reporting, but in the end, it is fair to say, that the challenge was even bigger than expected.

Now, at the end of March 2025, most of the companies and their sustainability reporting teams can congratulate themselves for succeeding to create the first **CSRD report**.

During implementing ESRS into corporation's reporting, there were many points of time, when examples of solutions related to specific data points or data requirement would have been needed. So now, in the middle of publication of CSRD reports, it has been really fascinating to read CSRD reports and study different approaches for reporting.

Into this study, we have gathered observations we have made when reading CSRD reports – utilizing our understanding about the typical problematic parts of the reporting framework. We have also included our insights and recommendations related to topics raised into this report, hoping these could help companies in their next reporting round in 2025.

Anu Servo
Sustainability Services Leader
Deloitte

Scope and objective of the study

- 2024 marked the first-time application of the Corporate Sustainability Reporting Directive (CSRD) and related European Sustainability Reporting Standards (ESRS) for the large public interest entities in the European Union.
- Deloitte Finland has conducted a benchmarking study of CSRD reports from 2024, covering 22 large Finnish listed entities.
- Our objective was to observe how the new standards have been taken to use by the first wave of adopters in Finland and to identify differences, trends, and similarities in the reports.
- The ESRS consist of 2 cross-cutting and 10 topical standards, of which cross-cutting standards are mandatory to all companies. Other topics are reported based on the outcome of the company's double materiality assessment.

European Sustainability Reporting Standards

Cross-cutting				
ESRS 1 General requirements	ESRS 2 General disclosures			
Environmental				
ESRS E1 Climate change	ESRS E2 Pollution	ESRS E3 Water and marine resources	ESRS E4 Biodiversity and ecosystems	ESRS E5 Resource use and circular economy
Social				
ESRS S1 Own workforce	ESRS S2 Workers in the value chain	ESRS S3 Affected communities	ESRS S4 Consumers and end-users	
Governance				
ESRS G1 Business conduct				

Deloitte.

Content

01 Executive summary 5

02 Statistics about CSRD reports 8

03 Sustainability topics 15

3.1 General disclosures 16

3.2 Environment 23

3.3 Social 30

3.4 Governance 38

01

Executive summary

Summary – Overall view

- Companies are reporting in accordance with the CSRD and ESRS for the first time, and we are pleased to see high-quality and well-structured reports.
- As anticipated, all companies assessed in this benchmark have identified E1 and S1 as material topics. Only one company did not consider G1 to be material. E5 Resource use and circularity was assessed material among more than 90% of the companies.
- In general, phase-ins are widely utilized, allowing for even higher quality reporting and additional information supporting the decision-making of report users in the coming years.
- It is evident that CSRD reports are providing stakeholders with greater access to real actions of the companies driving their strategic sustainability vision and more comprehensive sustainability data. Increased transparency due to CSRD reporting is crucial to prevent greenwashing, ensuring that companies provide accurate information about their sustainability practices and impacts.

Summary – Next steps

- While this is a promising start for CSRD reporting, several areas require further development in the coming years.
- Firstly, multiple specific datapoints need to be addressed in future reporting years, especially as phase-ins are widely used. Overall work towards a more sustainable future requires broader actions.
- **Areas where further development is particularly expected include:**
    - Material topics, impacts, risks, and opportunities – Strengthening their linkage with strategy and business model and company's targets.
    - Target operating model development for sustainability reporting – Ensure strong governance practices, commitment, and ownership to establish efficient reporting practices.
    - Credible transition plans and revisited 2050 climate targets.
    - Data availability, quality, and IT systems – Supporting sustainability initiatives not only through reporting but by utilizing the data in a strategic and business-oriented manner.
    - Integrating impacts and risks into risk management frameworks – Establish robust internal controls – both regarding the management of impacts, risks and opportunities and regarding sustainability reporting.
    - Revisiting stakeholder engagement programs and practices – Utilizing the gathered information and views from stakeholders effectively.

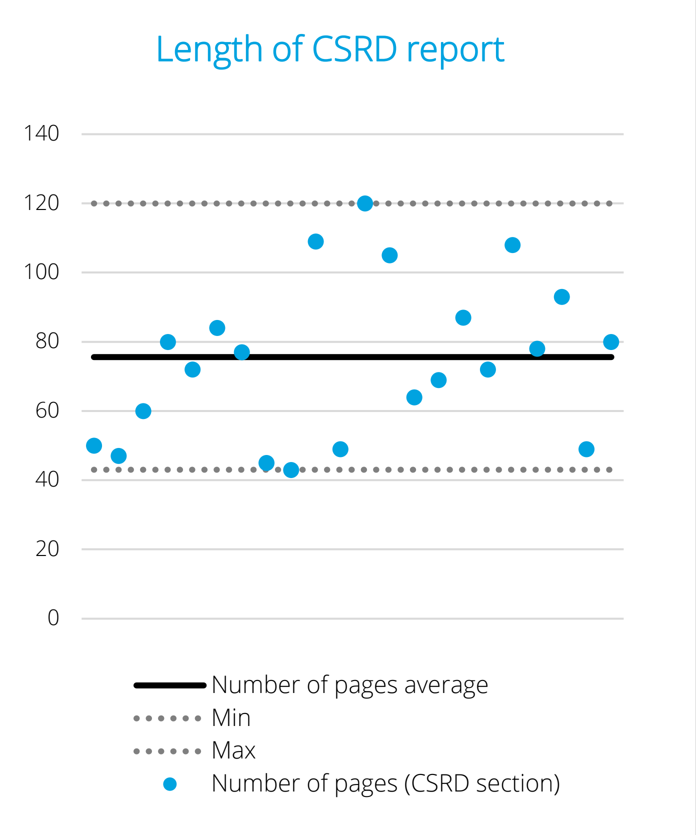
02

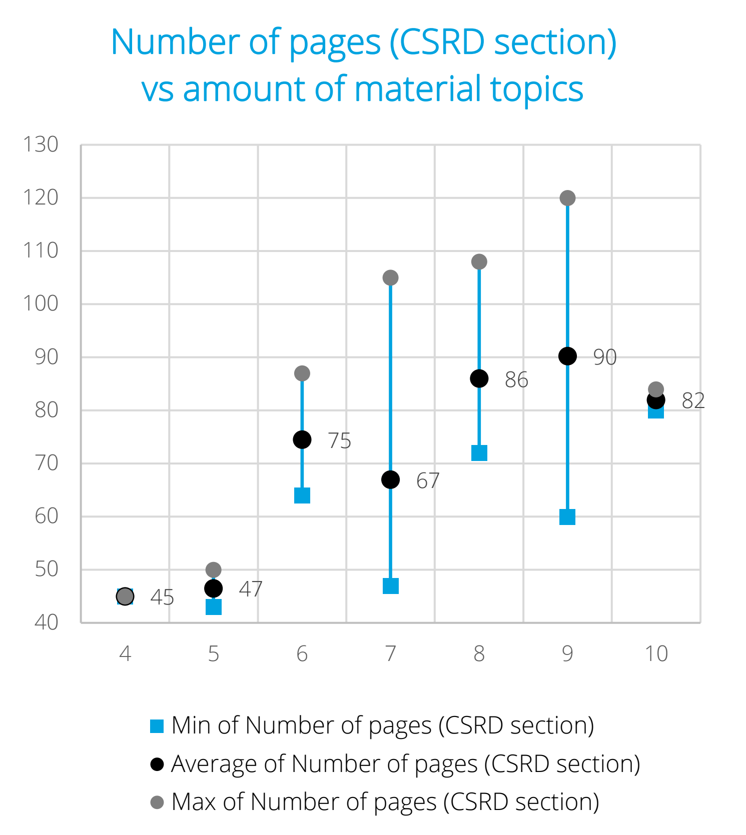
Statistics about CSRD reports

The length and content of CSRD reports can vary greatly.

The number of material topics or sub-topics is not influenced by the company's size and does not account for the report's length.

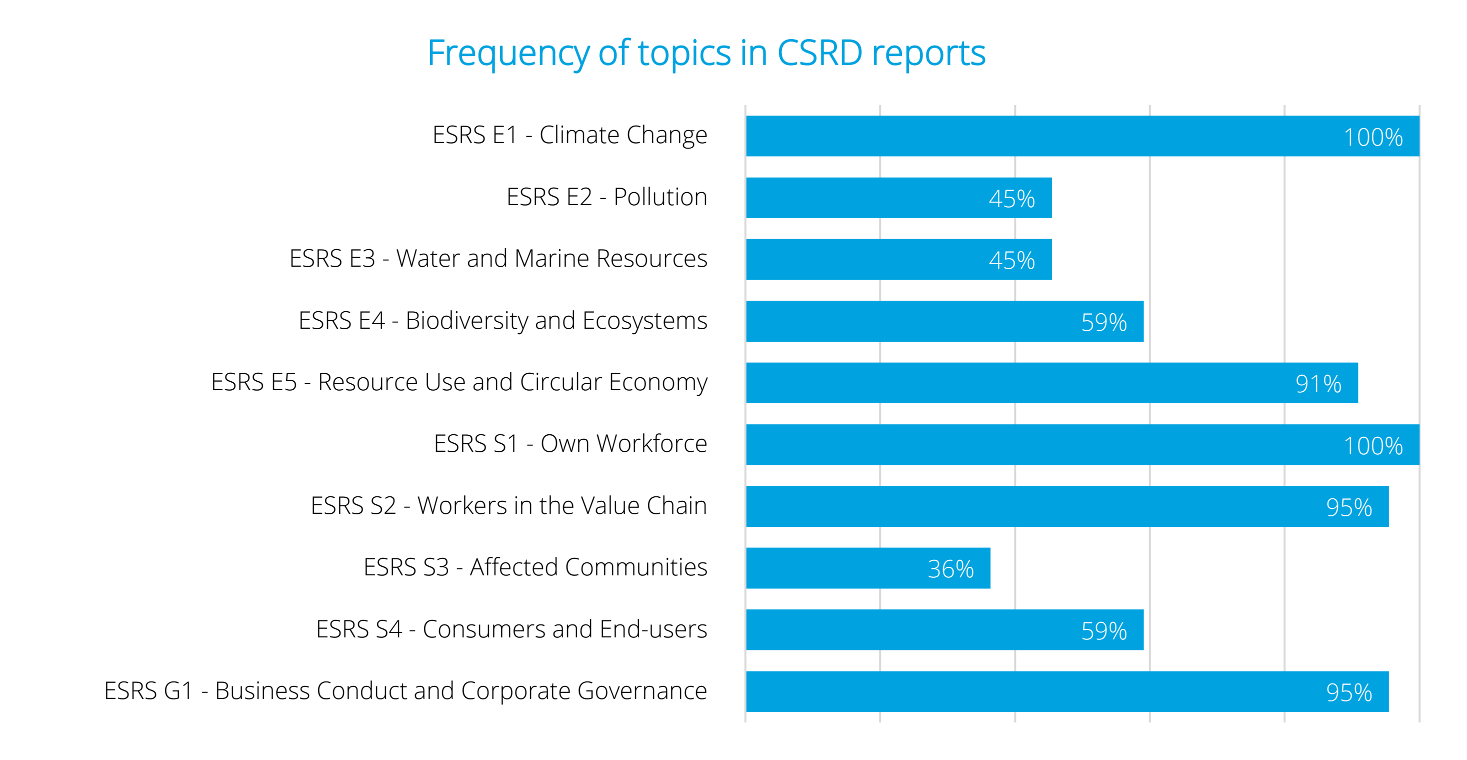
Average number of pages in CSRD reports is 75 pages





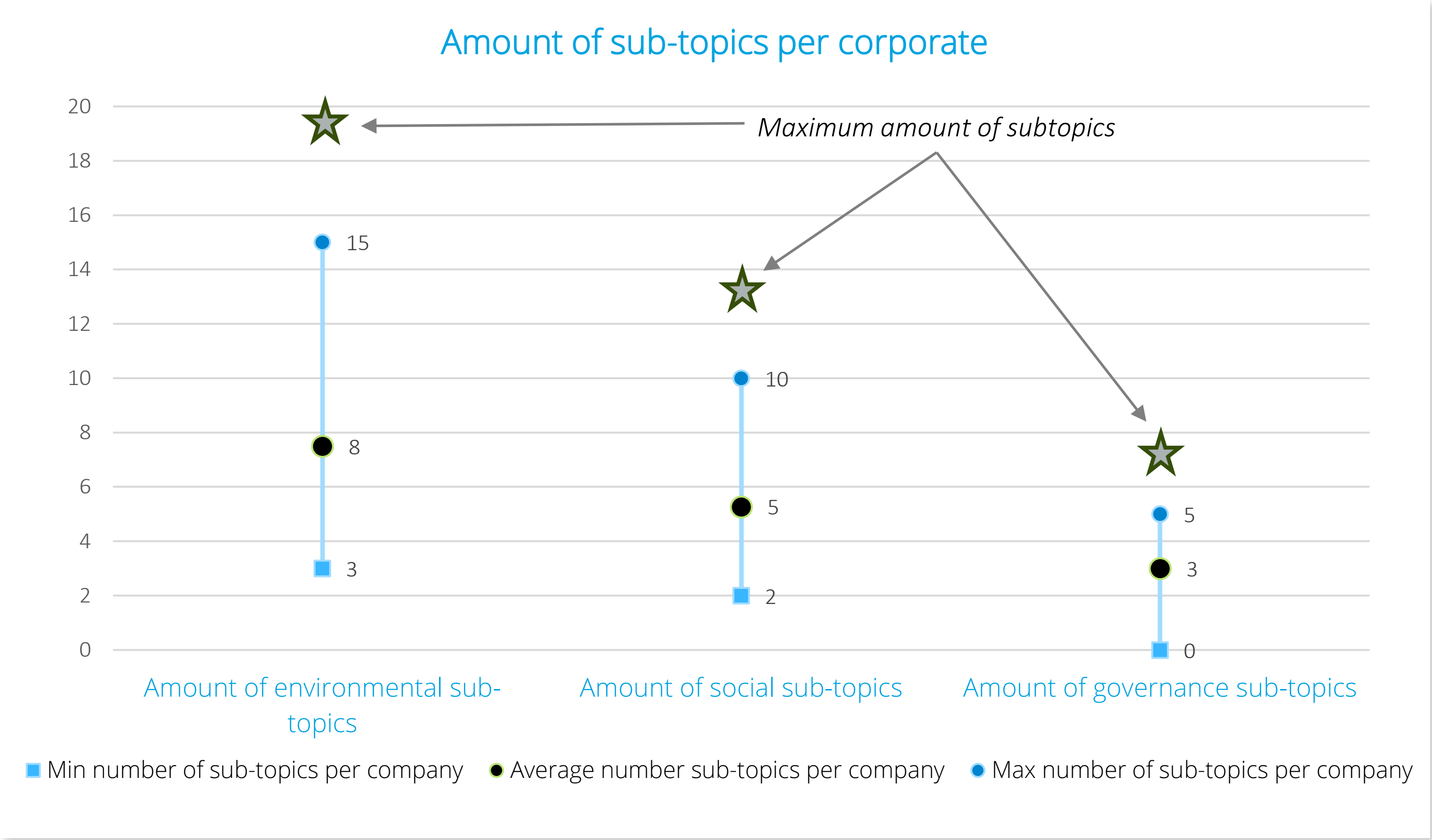
- The ESRS set a myriad of specific technical requirements for the report content, having resulted in many cases quite long and complex reports.
- The adoption of one common sustainability reporting standard has not yet resulted in shorter reports as was possibly expected by some stakeholders. We expect the reports to become increasingly clear and more concise with time, focusing on the most material information.
- The average number of pages in CSRD reports analyzed is 75, with the variance from 43 pages to 120 pages.
- In general, we didn't note any correlation between the length of report and company's size measured by total revenue or headcount.
- The length of the report is neither correlating with the amount of material topics or sub-topics included into the report, which can be seen from the average length of reports in classes of the amount of material topics included in the report.
- The longest report is approximately 2.2 times longer than shortest report when considering the length of reports including same amount of material topics.

All reports include E1 Climate change and S1 Own workforce as material topic



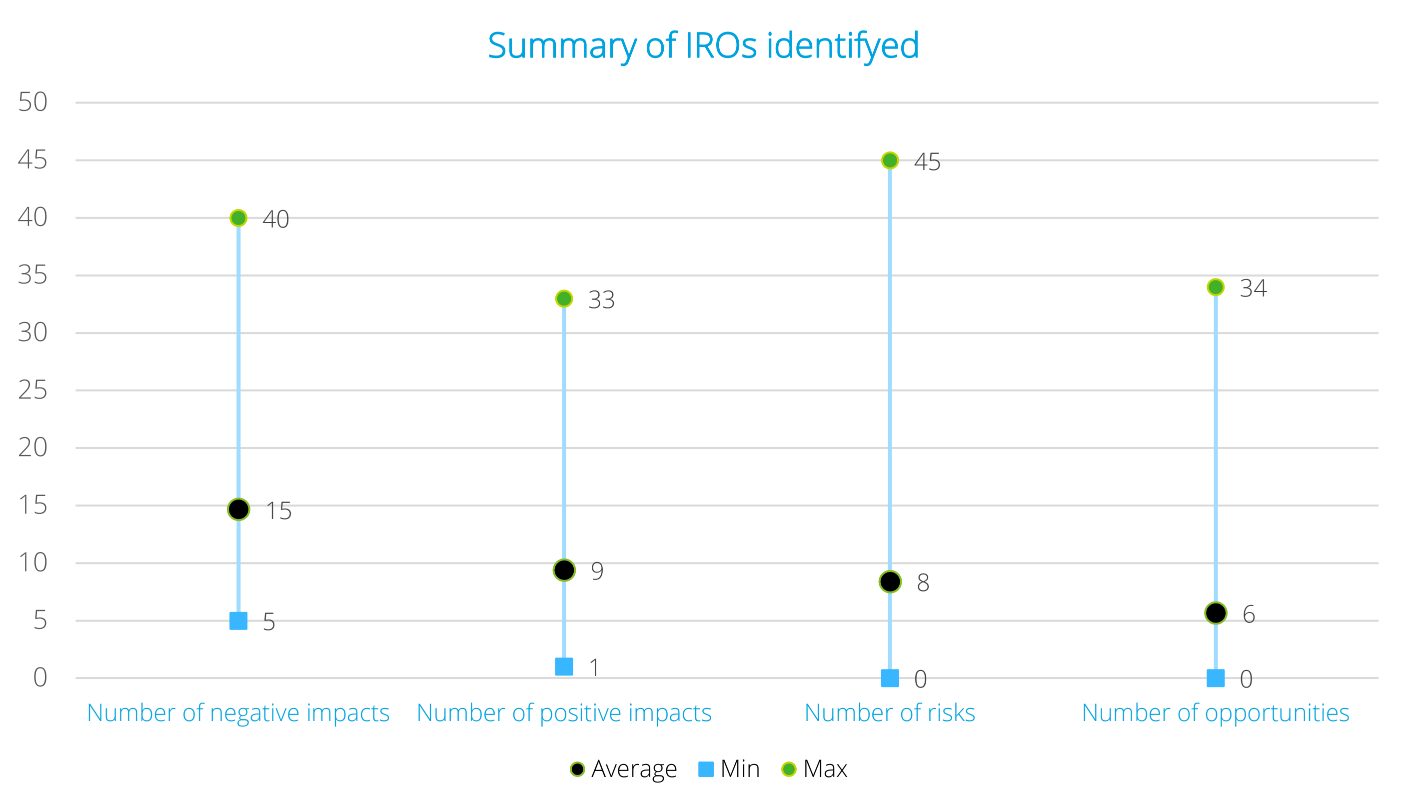
- Before the CSRD was enforced, large listed entities in Finland tended to report on relatively large scope of topics on a voluntary basis.
- CSRD requires that companies determine their material sustainability topics based on a double materiality assessment, considering both the impacts the company has on people and environment (*impact materiality*) as well as the potential financial effects the sustainability topics have on the company (*financial materiality*).
- The average number of material ESRS topics seems to reflect the longstanding practice of sustainability reporting of Finnish listed entities: the total number of ESRS topics is 10, and the average amount of material topics in our sample was 8, varying from 4 to 10.
- All companies in the scope of our analysis reported on *E1 Climate change* and *S1 Own workforce.* Also, *G1 Business conduct* and *S2 Workers in the value chain* were common material topics for companies – only one company in our sample did not consider these topics material.
- *S3 Affected Communities* was most uncommon in CSRD reports - only 36 % of companies considered it material.
- None of the ESRS topics has been immaterial for all analyzed companies.

Most common sub-topic is S1 Working conditions



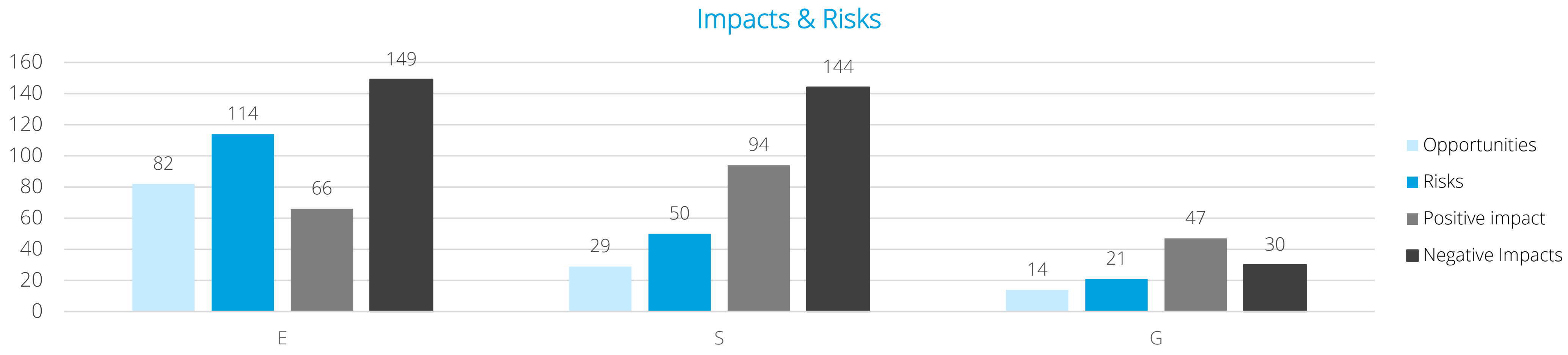
- The total amount of sub-topics in the ESRS is 38. The average amount of sub-topics included in CSRD reporting per company was 16 - the minimum being 6 and maximum 30 sub-topics in one report.
- Most common sub-topics reported are *E1 Climate change mitigation* and *E1 Energy*, *S1 Working conditions* and *S2 Working conditions*.
- In addition to considering the sustainability topics listed in ESRS, companies are expected to consider their specific circumstances and develop entity-specific disclosures where the topics are not sufficiently covered by ESRS.
- Only around 35 % of the reports we analyzed included entity-specific topics. The number of entity-specific topics varied from 1 to 7.
- The most common entity-specific topic was Cyber security. Other topics included environmental accidents, carbon handprint, critical infrastructure resilience or Generative/Responsible AI.
- Perhaps surprisingly, none of the companies had considered their Tax footprint as a material entity-specific topic. Company's tax-related impacts has been one of the sustainability reporting topics for example in GRI reporting standards.
- The relatively low numbers of entity-specific topics could be explained by companies wanting to limit the number of their material topics and waiting for the sector-specific ESRS which had been planned to be taken to use at a later stage.

Number of IROs varies between companies



- As part of their double materiality assessment, the companies are expected to identify their material positive and negative sustainability impacts as well as risks and opportunities (IROs).
- The number of IROs varies remarkably between companies. On average, companies had included 38 different IROs in their sustainability reporting.
- However, the maximum amount of IROs is 140 in one sustainability report, and minimum 9 IROs in one sustainability report.
- In general, the number of material impacts is higher than the number of risks and opportunities.
- All analyzed companies have identified some material impacts – both positive and negative around material sustainability topics.
- One company in the sample had not identified any risks, and 4 companies had not identified any opportunities related to material sustainability topics.
- In general, identification of sustainability risks and opportunities may have been more challenging to the companies, as there is a longer history with reporting about the company's sustainability impacts.
- The adoption of the double materiality assessment process may have presented new challenge for the companies, and we expect to see a stronger link with the material IROs and the material topics and related ESRS disclosures as the reporting matures.

Negative impacts and risks exceed positive impacts and opportunities



- In general, the number of negative impacts or risks is higher than the number of positive impacts and opportunities.
- Around 40% of IROs are positive, and 60% negative compared to total amount of IROs. For governance topics, companies had identified more positive impacts than any other types of IROs.
- Only 14% of analyzed companies have identified more positive impacts than negative impacts or opportunities than risks.
- Based on these observations, the general trend does not show signs of widespread greenwashing across the reports. However, it is possible that there have been cases where risks have not been considered as gross risks as required by ESRS, i.e. before any actions or resources to mitigate the risk.

03

Sustainability topics

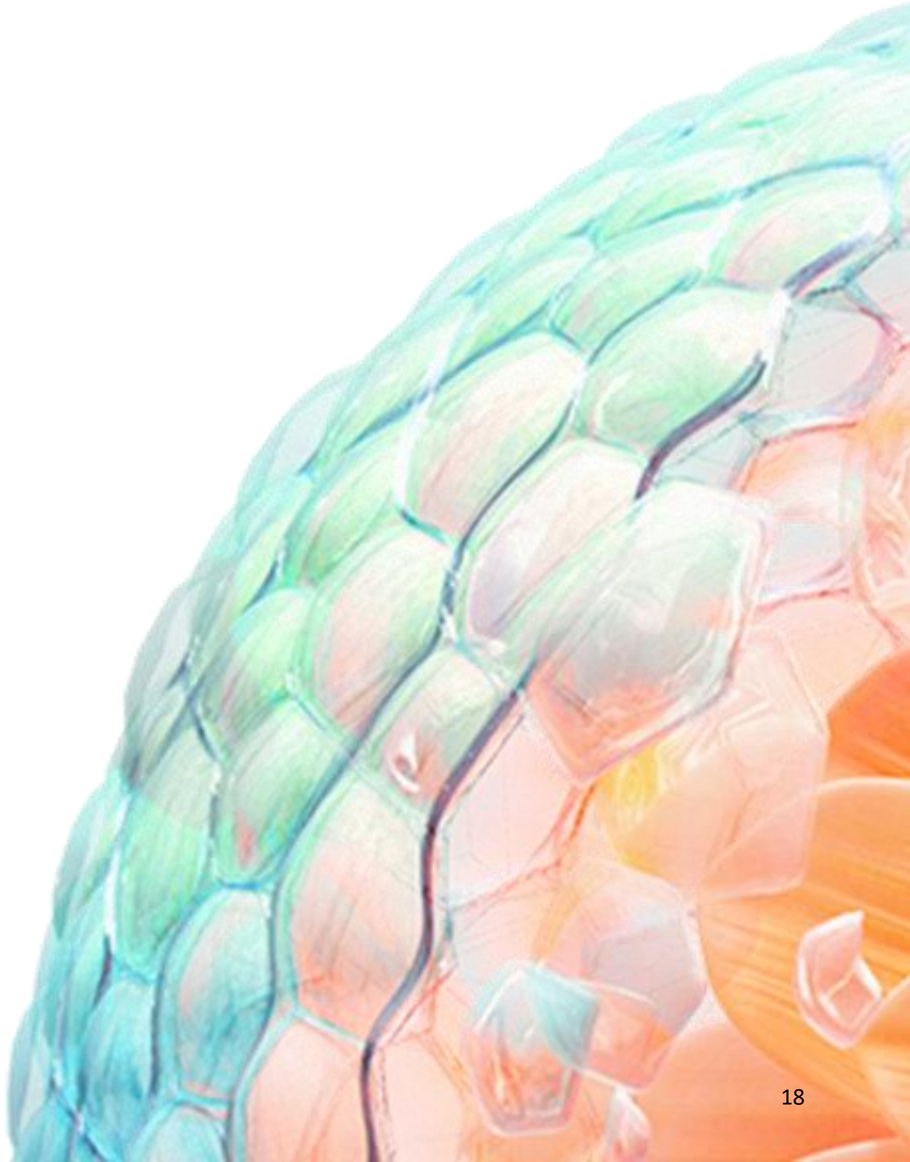
3.1

General disclosures

Companies have utilised phase in options regularly in their CSRD reporting. Also, data estimations has been common during the first-year reporting.

These aspects reflect the complexity of the reporting framework as well as the need for developing companies' reporting processes.

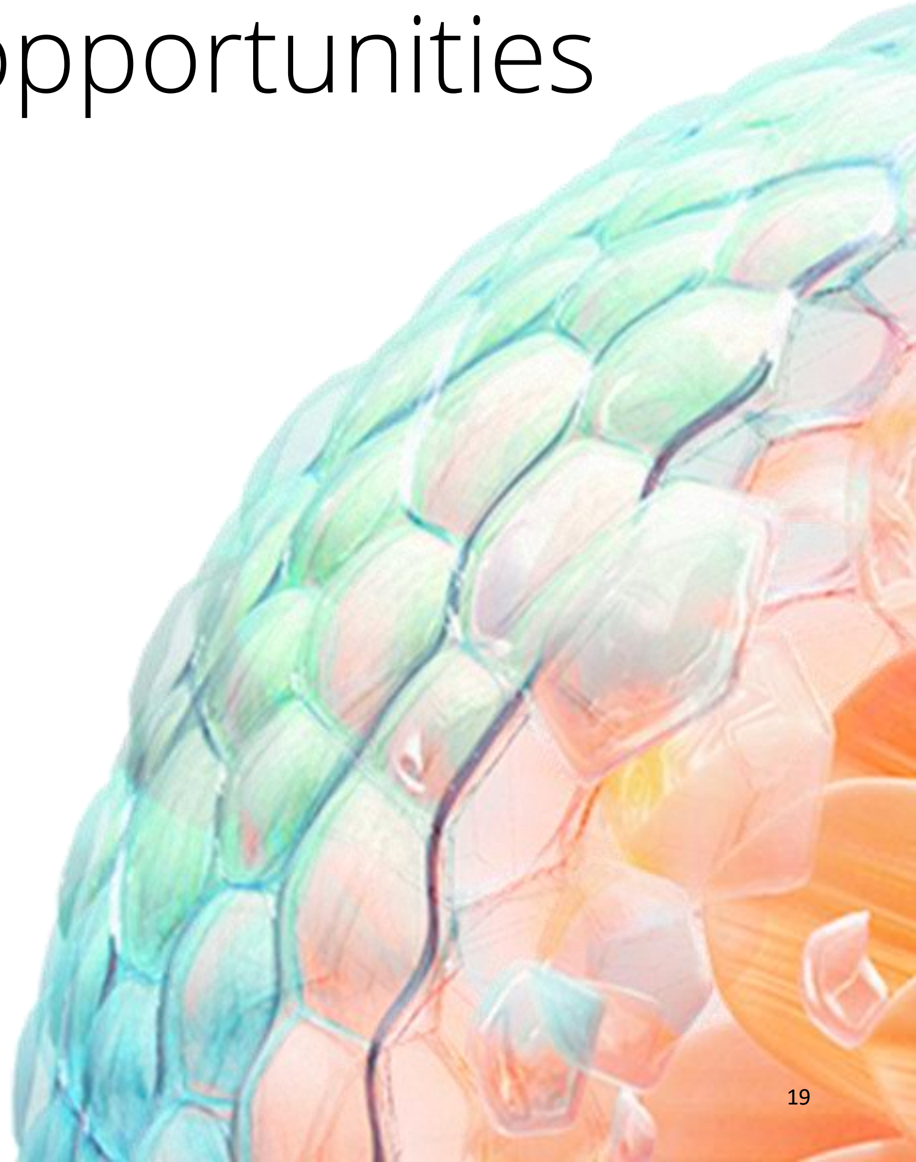
Use of phase-ins common in the first ESRS reporting



- About 15 % of the companies in our sample have not disclosed what disclosures they omitted due to phase-ins in their first sustainability reporting.
- However, we could not locate all material or mandatory disclosures in all of these reports. For example, anticipated financial effects from material risks and opportunities (SBM-3, E1-9, E2-6, E3-6, E4-6 and E5-6) were particularly difficult to locate.
- When companies have not listed the disclosures omitted due to phase-ins, the comparative information has been incorporated into the data tables.
- Typically, the external assurance of sustainability reporting has not covered comparative information published in the 2024 reports.

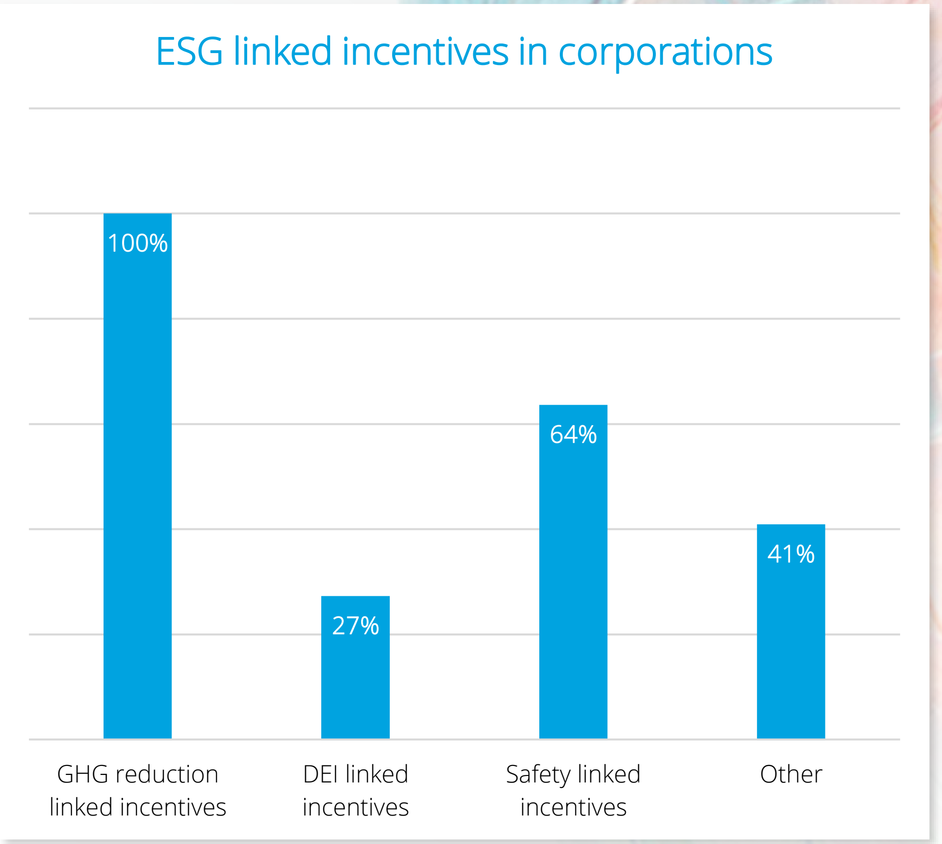
Reporting current and anticipated financial effects from material risks and opportunities has presented a challenge

- ESRS require companies to report on the current and anticipated financial effects related to their material risks and opportunities (ESRS 2 SBM-3).
- With regard to current financial effects, over 80% of the companies either explicitly stated they had not identified such effects, or the information could not be located in the reports. Only 18% provided quantitative or qualitative information related to these effects. However, this too often remained on a general level.
- Regarding the anticipated financial effects, ESRS allows the companies to omit the information for the first reporting year. Clearly a majority had taken this option, with only a few companies disclosing some narrative around this theme.
- Understanding and measuring the financial effects of sustainability risks and opportunities as well as increasing the connectivity between the sustainability statement and the financial statement are themes where we expect to see development in the coming years.



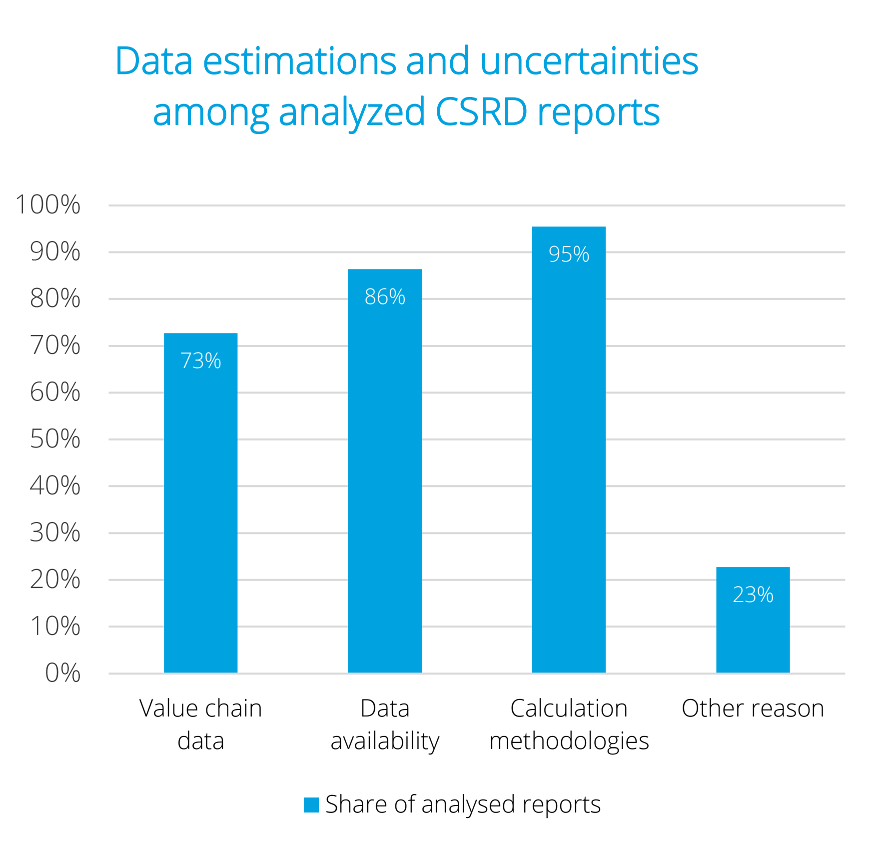
All companies reported ESG linked incentives

- All companies in the sample reported they had ESG linked incentives in place for the management or the Board of Directors.
- On average, companies had 2 ESG linked key performance indicators (KPI) integrated into their incentive schemes. However, some companies had even 3 ESG linked incentives.
- All companies reported incentives linked to GHG emission reduction.
- Incentives related to Safety KPIs were also common among the companies (64%). Typically, these KPIs related to lost time accident frequency rates.
- Other ESG linked incentives related to the following topics:
    - sustainable production or operational performance
    - waste reduction or increasing the share of recycled waste
    - sustainable supply chain



Recurring need for data estimations in reporting

- All reports in our sample included information about data estimations and source of uncertainties.
- The most common reasons for data estimation and sources of uncertainties relate to calculation methodologies, data availability and value chain data, which also reflects the most challenging areas in reporting. Other reasons for uncertainties might relate to data sourced from general databases or challenges with interpretating ESRS requirements.
- The need to estimate data shows that companies had not been able to collect all the data required by the ESRS disclosure requirements. Where a company is unable to collect data related to a mandatory or material disclosure requirement, it is expected to estimate it.
- The ESRS disclosure requirements include metrics that have not been widely used in large companies' management, for example related to value chain or the resource inflows and outflows.
- Also, calculation methodologies or frameworks have not developed alongside with data requirements, which have led to need for estimations - one typical example being emissions calculations.
- It is a recommended best practice to maintain documented and sufficiently detailed sustainability reporting principles that are regularly reviewed and updated. It is also important to document the basis of estimates and significant assumptions to be able to apply the same methodologies year-to-year and further improve the quality of the estimated data, where possible.



INSIGHT

Significance of GHG data in reporting

- Climate change mitigation is the most material topic for companies.
- GHG emissions are also the most common indicator linked to incentive schemes.
- At the same time GHG emission calculation is one of main sources of uncertainty or data estimation.

  → From company’s managing point of view, there is clear need to develop the data quality and process for GHG data.

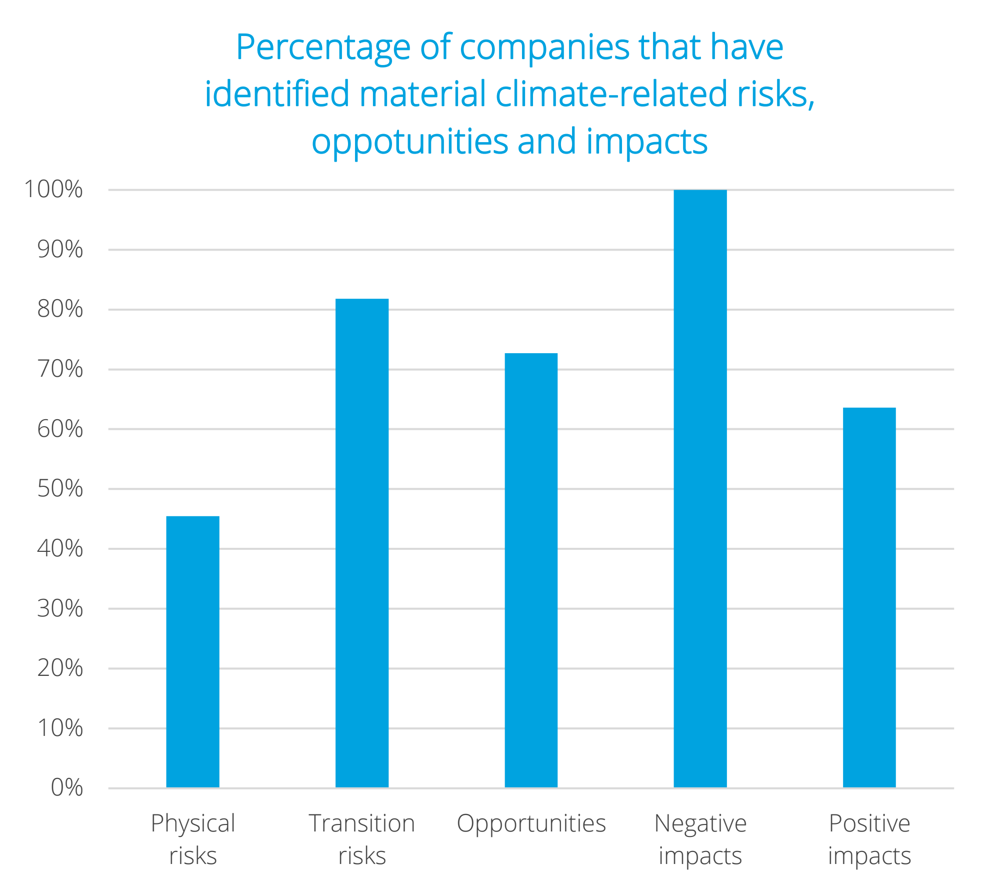
3.2
Environment

The environmental topics were widely reported on, with all companies reporting on E1 climate change, closely followed by E5 Circular economy (95%).

Almost a third (32%) of the companies reported on all five environmental topics.

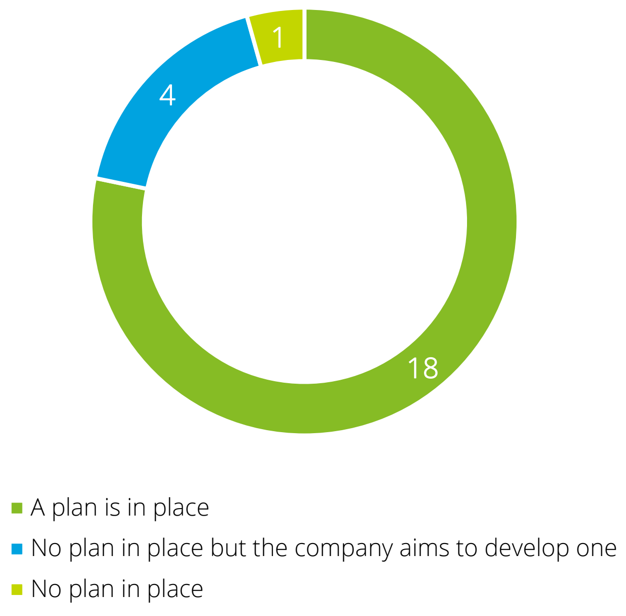
All companies recognize they have negative impacts on climate change

- All companies had recognized having a negative impact on climate change either through their own operations or through their value chain.
- Over 40% had identified material physical risks and over 80% had identified material transition risks. However, 14% had not identified any material risks related to climate change.
- We noted it was sometimes challenging to determine the exact number of impacts, risks and opportunities identified by the companies, as there were differences between the presentation in the *General information* and the *E1 Climate change* sections. Some companies had not clearly presented their material risks and whether those were physical or transition risks. For these companies, we made an approximation based on our best estimate.

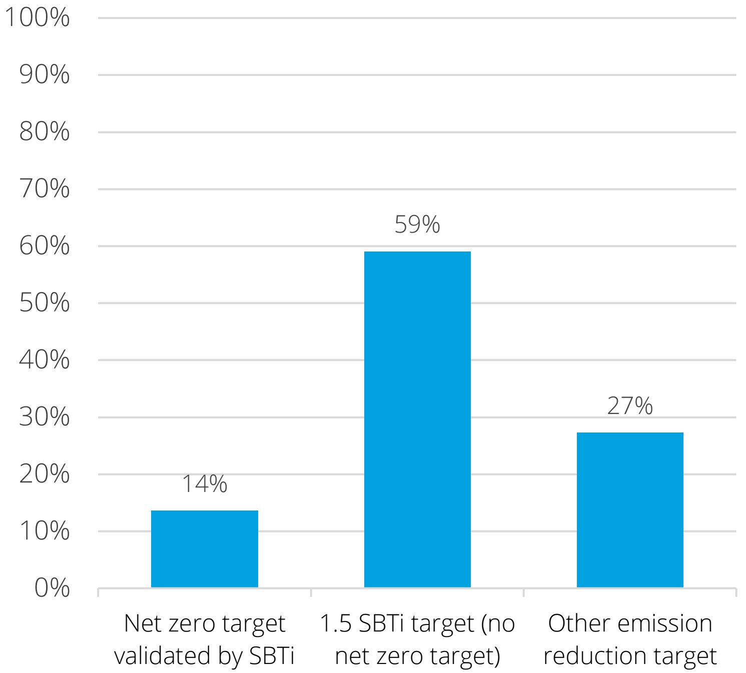


All companies have set emission reduction targets and most have transition plans

Number of companies with a climate transition plan



Type of emission reduction targets set by the companies in scope



- Clearly a majority of the companies in the sample either reported they have a climate transition plan in place or reported on the related disclosure requirements (E1-1) without clearly stating the company has developed a climate transition plan.
- All companies in the sample have set some kind of emission reduction target.
- Majority have set either a science-based net zero emission target or an emission reduction target aligned with the 1.5°C global warming scenario, validated by the Science Based Target initiative.
- All companies reported that either their transition plan or related emission reduction targets had been approved or reviewed by the CEO, management team or the Board of Directors.

More detailed and concrete information on the transition plans would benefit the report users

- When analyzing the reports, it was sometimes challenging to determine whether a company had a transition plan integrated into its strategy or if it was simply reporting information required by the E1-1 disclosure requirement. In addition, it is not always clear how activities to reaching the targets incorporated in the transition plans have been aligned with long-term 2050 targets aligned with the SBTi, EU's objectives and latest climate science utilizing green house gas emission pathways and with company's strategic approach.
- Several companies disclosed information about their emission reduction targets without clearly describing how the plan is integrated in the organization and its operations. The majority of reports did not provide detailed descriptions of governance models and plans for implementing the transition across the organization.
- For many companies, information provided on the financial and other resources allocated to the implementation of the plan remained on a general level or related only to specific actions (such as company's taxonomy-aligned activities), not providing a comprehensive picture on the total resources allocated.
- Approximately 40% companies provided information on the quantitative amounts of financial resources allocated to the implementation of their plans or targets, either in the current year and/or in the longer term. A few companies specifically stated that the implementation of their transition plan or emission reduction target has not required significant or material financial expenditures ('capex' or 'opex').
- EFRAG is developing implementation guidance in relation to the transition plans and how to report on the related disclosures. We expect this will provide a useful resource for the companies and enable the report users with more detailed and concrete information about the transition plans and how they are embedded in the governance models, strategy and financial planning of the companies.

Transition plan
(ESRS definition)

A specific type of action plan that is adopted by the undertaking in relation to a strategic decision and that addresses:

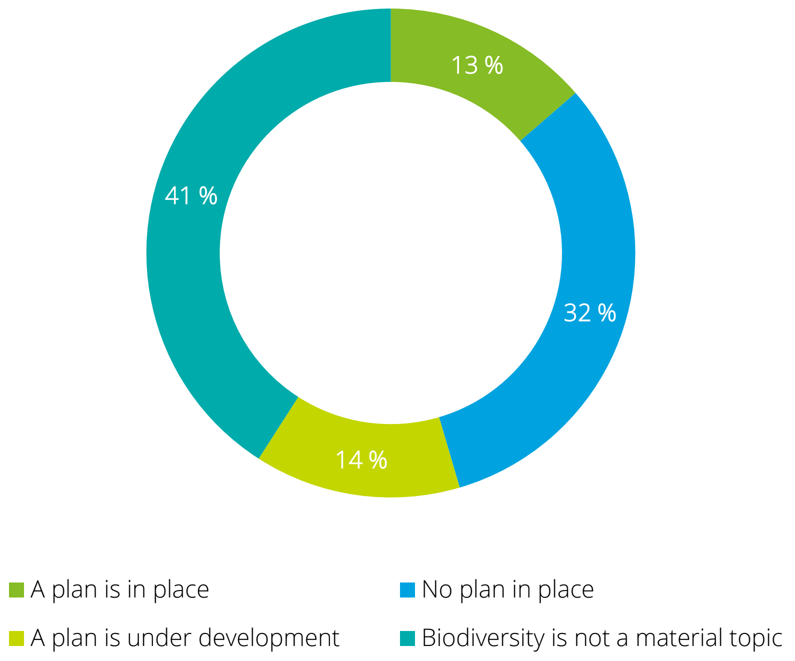
i. a public policy objective; and/or

ii. an entity-specific action plan organised as a structured set of targets and actions, associated with a key strategic decision, a major change in business model, and/or particularly important actions and allocated resources.

Biodiversity transition plans are still fairly uncommon

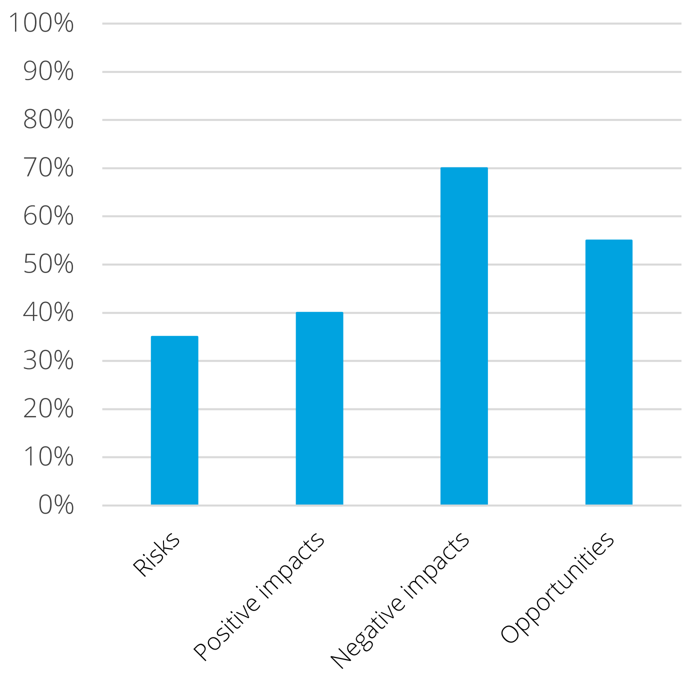
- For **41% of the companies**, biodiversity was not a material topic.
- Most companies that deem the topic material disclose something under the Biodiversity transition plan sub-heading but do not clearly state they have a plan. Our interpretation is that only a few companies in fact have a biodiversity transition plan.
- The biodiversity transition plan related sections in the reports primarily address following areas without necessarily presenting structured actions: evaluating biodiversity-related IROs, discussion on the resilience analysis, and some of the company's actions on this issue.
- **14% of companies** disclosed that they are currently developing their transition plan. No company has a transition plan in place without targets. On the other hand, two companies had a transition plan under development and had already set biodiversity related targets.

Percentage of companies with a Biodiversity transition plan

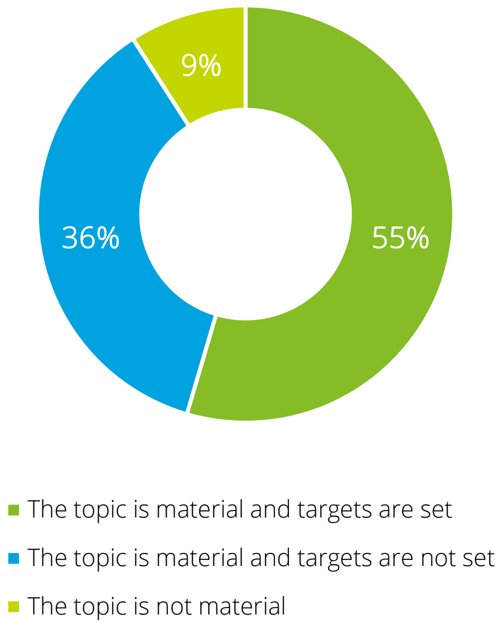


Number of opportunities related to resource use and circular economy exceeds risks

Percentage of companies that have identified material risks, opportunities and impacts



Share of companies with targets related to circular economy/resource use



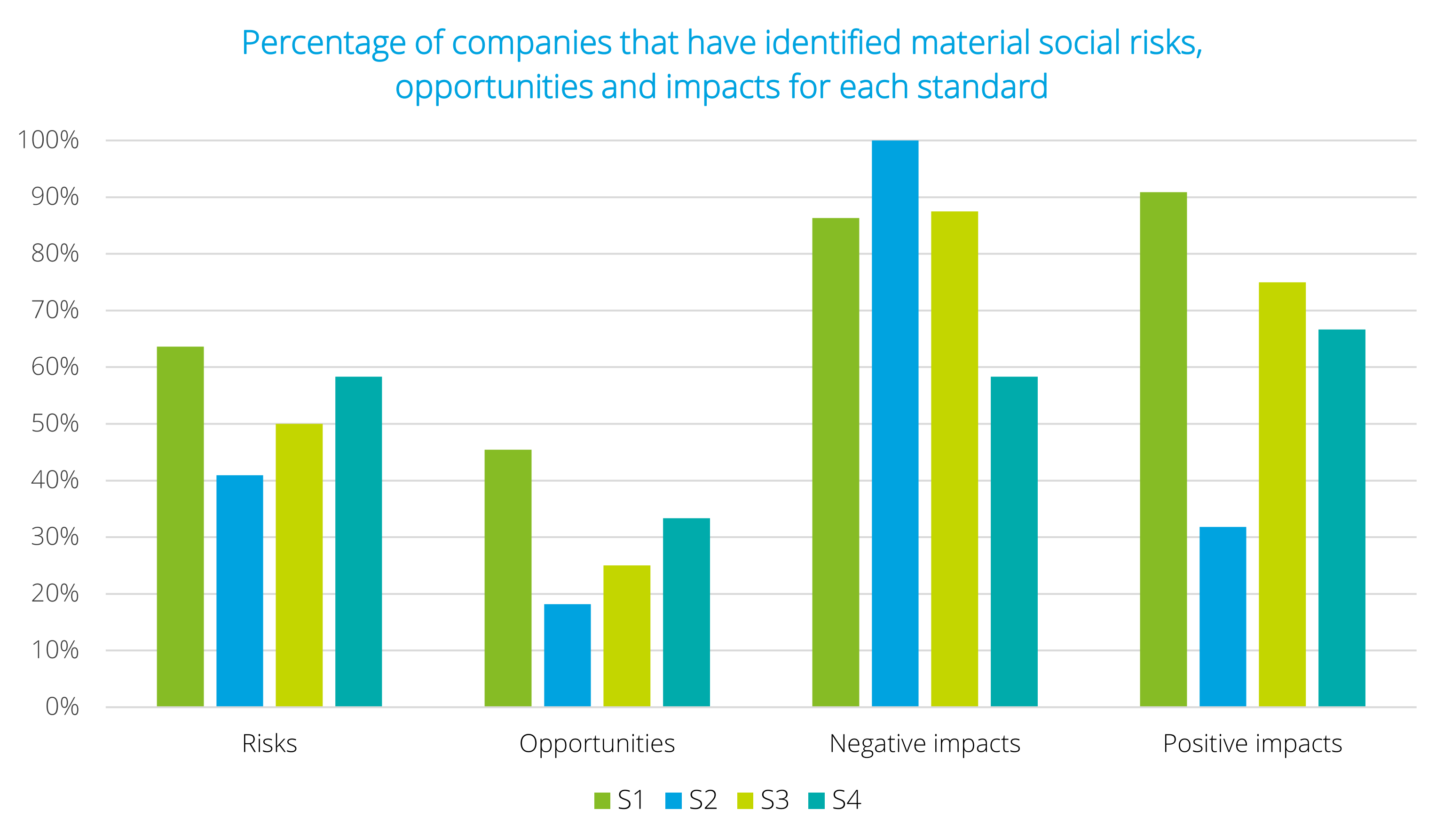
- **35%** of the companies have identified risks related to circular economy and resource use, while **55%** of companies have identified opportunities.
- Regarding impacts, the proportion of companies that have identified negative impacts is **nearly twice** that of those identifying positive impacts.
- Regarding targets, only 12 reports out of 22 disclose targets related to circular economy or resource use, which is 60% of the companies that deemed this topic as material (20 companies).

3.3
Social

Social topics were broadly assessed as material, especially S1 (100%) and S2 (95%) followed by S4 (59%) and S3 (36%).

Variation emerged of the materiality of social sub-topics.

Impacts are more prevalent than risks or opportunities in the social standards



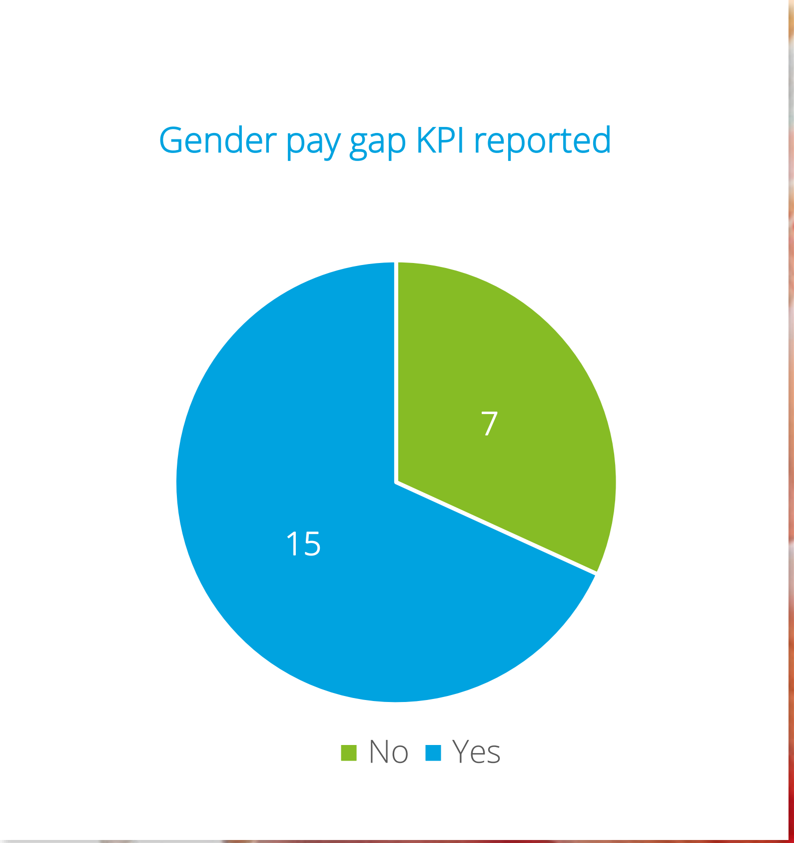
- Most companies have identified impacts related to health and safety for workers in the value chain, while some have found broader impacts related to working conditions.
- Impacts for the other standards, particularly S1, are more evenly distributed across various topics, with a greater focus on equality and inclusion.
- Among companies that have assessed S2 as a material topic, 100% have identified negative impacts, while only 30% have found positive impacts. For other standards, the distribution between positive and negative impacts is more balanced.

Gender pay gap reported by most companies

- Most companies report the **unadjusted pay gap** as specified by the standard, though some use different methodologies. The unadjusted pay gap ranges from -9% to 47%, averaging around 9%.

- Volatility in pay gaps is largely due to gender composition in different occupational categories, therefore, a few companies differentiate between blue-collar and white-collar workers.

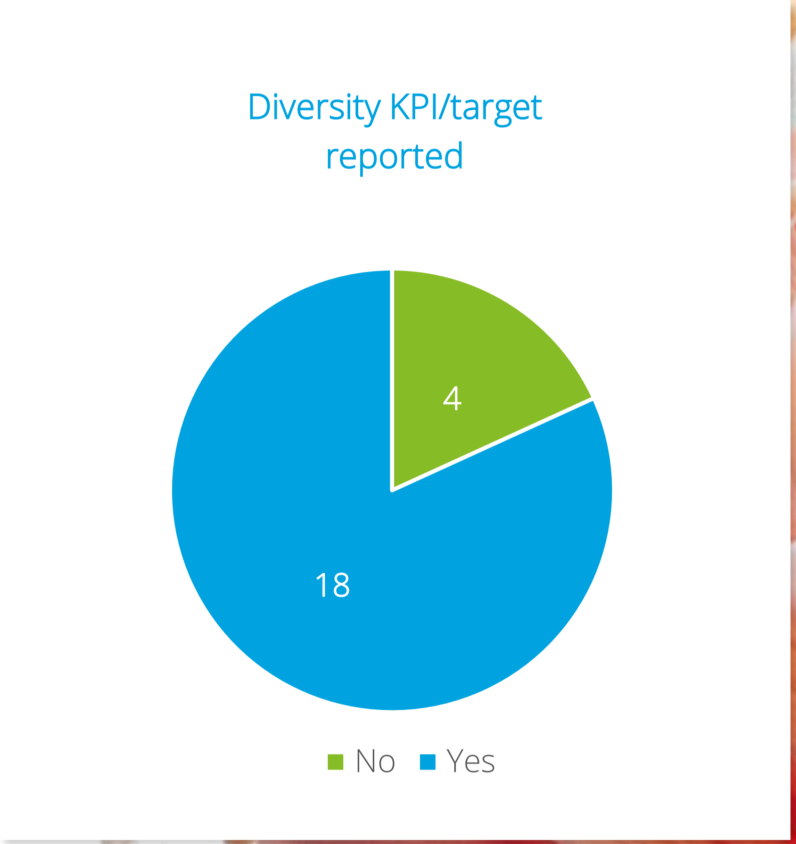
- Remuneration rates are more commonly reported than pay gap.



Diversity, Equity and Inclusion targets tend to focus on gender diversity

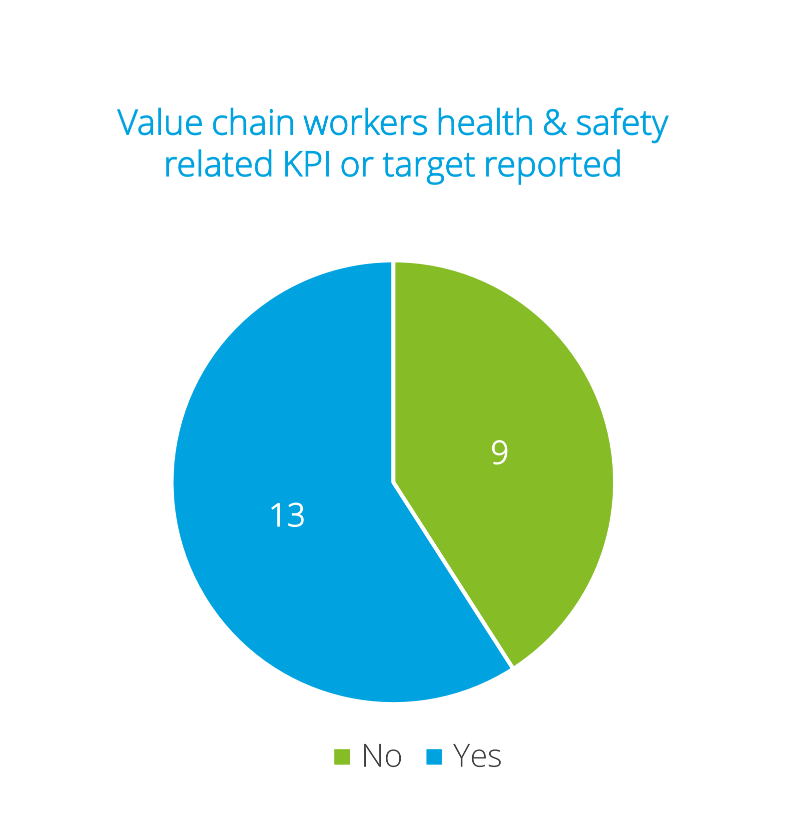
- Out of the four companies without Diversity, Equity and Inclusion (DEI) related KPI’s or targets, one is in the process of developing such targets, while the others only have health and safety targets for their own workforce.

- The majority of companies have Diversity, Equity and Inclusion (DEI) targets **focused on gender diversity, particularly in management positions**, with some also addressing broader equity and inclusion metrics.



Value chain workers related targets and KPIs are focusing on Health & Safety

- Targets related to workers in the value chain are more common among companies in the industrial and resource sectors, and less common in the consumer goods and services industry.
- This observation may be due to the **nature of jobs in the industrial and resource sectors**, which often involve more hazardous conditions, leading to a greater emphasis on worker health and safety.



S1 and S2 most widely reported social topics

- Contrary to initial expectations, there were surprisingly many challenges related to social themes, particularly in gathering and calculating comprehensive **company-wide data**, such as the gender pay gap.
- Difficulties were observed to collect and report the non-employee or value chain workers related data on incidents for instance.
- As anticipated, most companies identified working conditions (S1, S2) as material sub-topics, widely reporting on their health and safety measures. While physical safety is prominently highlighted, **psychological health and safety** are not yet widely recognized or reported.
- Most companies assessed diversity, equity, and inclusion (DEI) topics as material but mainly reporting about **gender diversity**. However, four companies did not identify any impacts, risks, or opportunities related to DEI.

Human Rights Impacts and Due Diligence

- Half of the companies (50%) have conducted **human rights impact assessments** concerning S1, S2, S3, and S4 or focusing on certain aspects of the standards. However, the level of detail varies significantly. Some companies provide comprehensive descriptions of their salient human rights impacts, both actual and potential, including specific impacts and their locations. Conversely, other companies do not mention their impacts at all, merely stating that they are monitoring their human rights impacts.

- Half of the companies (50%) have disclosed that they are performing **human rights due diligence** within their operations. The extent of detail provided varies; some companies elaborate on the specific assessments and efforts undertaken, while others simply state that they perform human rights due diligence without offering further information.

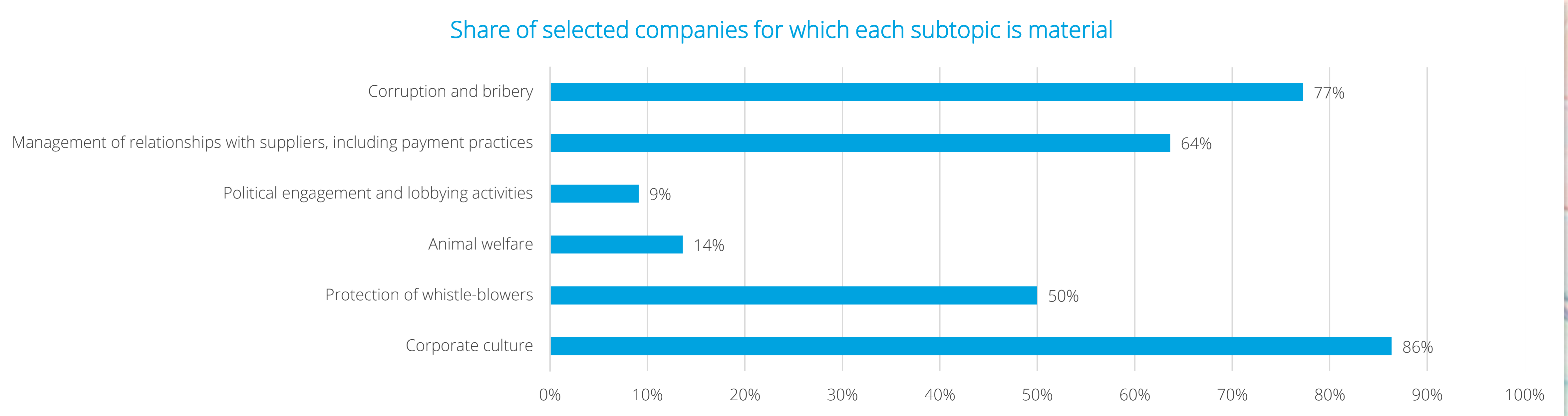
- A portion of companies (9%) have indicated that they are actively developing their human rights efforts and recognize the need to assess human rights-related impacts more frequently.

3.4

Governance

All but one company had identified Governance related topics as material for the company.

Corporate culture is the most common sub-topic in Governance

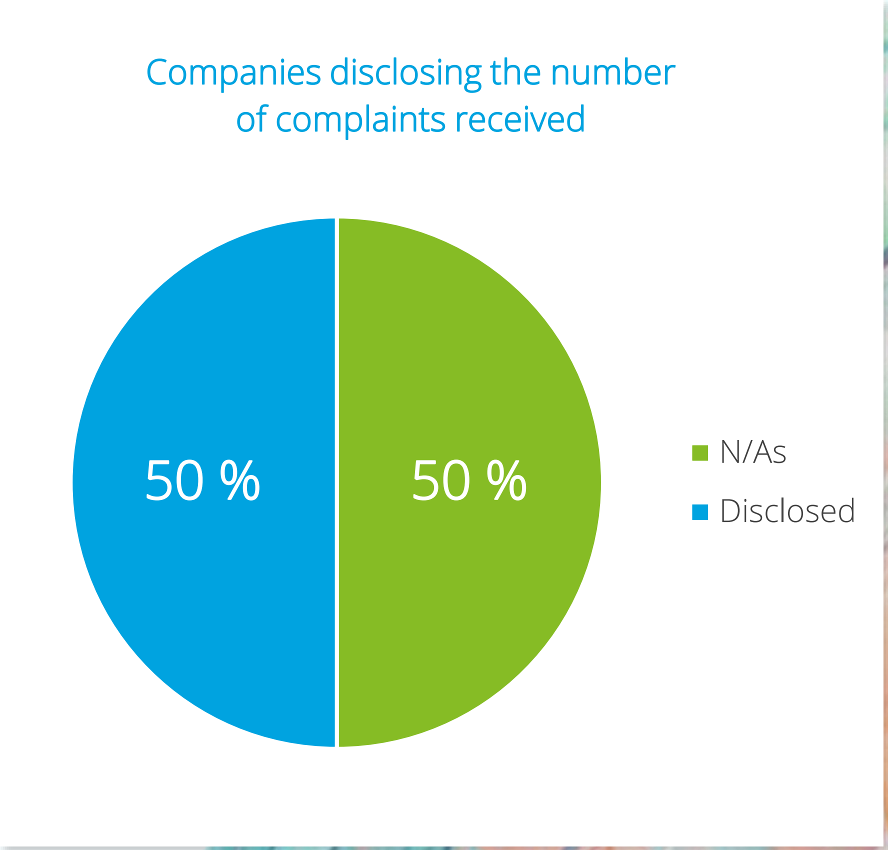


- Of the selected companies, only **one** has not identified Governance as a material topic.
- Corporate culture, Corruption and bribery, and Management of relationships with suppliers including payment practices are the three most often mentioned subtopics. Perhaps surprisingly,

Political engagement has been determined as material only by a few companies. In addition, the materiality of Protection of whistle-blowers is relatively low, considering that companies reporting in Wave 1 are legally obliged to have whistleblowing channels.

Half of the companies reporting on complaints received

- All companies have **whistleblowing channels** with value chain workers reach.
- However, in half of the reports, the number of complaints received is not disclosed.
- The number of concerns reported varies significantly, from 1 to 923. Of the companies disclosing this number, 73% of the reports disclosed less than 100 concerns.
- A few companies specified that they use the third-party “Speak Up” reporting channel as one of their whistleblowing channels.
- In 73% of reports, internal contacts for employees to report concerns are mentioned together with the whistleblowing reporting channels. The employee’s **direct manager** is mentioned amongst the points of contact.



Deloitte.