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Disclosure of Sustainability Information Under the CSR Directive: The Degree of Compliance of PSI Companies

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Abstract: Europe has just published a new Directive on Corporate Sustainability Reporting Disclosure and elaborating new European Sustainability Reporting Standards. To analyze whether companies are complying with the new disclosure requirements before the Corporate Sustainability Reporting Directive (CRSD) on sustainability comes into force, a content analysis was carried out on the corporate reports of 12 companies in the Portuguese Stock Index (PSI) of Euronext Lisbon for the year 2022, complemented by the Score Analysis technique. From the study of general disclosures (European Sustainability Reporting Standards - ESRS 2), we concluded that although some companies already comply with various requirements of this standard, they are not disclosing all the information required by ESRS 2 on sustainability. We also concluded, by analyzing the companies' reports for 2022, that the requirements of the CSR Directive have different levels of disclosure.

Keywords: CISE directive; content analysis; reporting; score analysis; sustainability

1. Introduction

Over recent decades, accountability in companies has evolved from a traditional financial focus to a broader emphasis on sustainability and social responsibility. This shift is partly due to growing awareness of social and environmental issues, which has reshaped both public and private sector accountability practices (Brunelli, 2020). Initially, companies and investors were primarily focused on financial returns, but over time, investors have expanded their focus to include sustainability considerations, seeking corporate commitments to Environmental, Social, and Governance (ESG) principles (Abeysekera, 2013; Cicchiello et al., 2022; Migliavacca, 2024). The UNEP Finance Initiative and UN Global Compact established 10 principles in 2006 to guide responsible investment, helping institutional investors incorporate ESG risks into their strategies (Fleacă et al., 2023). ESG factors now serve as a foundation for companies to guide investments towards sustainability goals and assess sustainability performance (Li et al., 2023).

As societal expectations evolve, stakeholders increasingly demand transparency in corporate activities. Consequently, companies are re-evaluating their resource use and considering how best to communicate sustainability information (Abeysekera, 2013). This demand for sustainability information also raises potential for liability claims from various stakeholders, including shareholders, consumers, and advocacy groups focused on environmental and human rights issues (Pantazi, 2024). Academics in accounting recognize the importance of issues related to ethics, governance, sustainability, and social responsibility in understanding corporate behavior and performance (Bebbington, 2019). However, there is ongoing debate about the materiality of sustainability information, which is critical to shaping the content of sustainability reports (Pizzi et al., 2022). Improved sustainability disclosure aims to build investor confidence in companies' commitments to sustainable practices (Darbellay, 2024).

To address these challenges, the European Parliament enacted Directive 2014/95/EU, setting out requirements for companies to disclose information on their social and environmental impacts, thus increasing transparency and accountability to stakeholders (Orth & Hobbs, 2022; Kamiński, 2023). This directive introduced the concept of dual materiality, which requires companies to consider both financial and non-financial impacts in their sustainability reporting (Kamiński, 2023). However, due to limited effectiveness in achieving these objectives, the European Union updated its regulatory framework with Directive 2022/2464, also known as the Corporate Sustainability Reporting Directive (CSRD), to provide clearer guidance for companies and better meet stakeholders' information needs (European Commission, 2022; Enander & Flygare, 2023). The CSRD mandates public interest entities with over 500 employees to disclose comprehensive sustainability information, addressing current enterprise trends and regulatory demands for increased transparency (CSRD, §3).

This regulatory shift opens a unique research opportunity to assess the effectiveness of the CSRD before it formally comes into force. Recent studies, such as Ottenstein et al. (2022), suggest examining whether companies are proactively aligning with CSRD requirements even before they are legally obligated to do so. Understanding such early compliance could shed light on the effectiveness of regulatory measures in fostering sustainability transparency (Fritsch et al., 2013; Sangiorgi et al., 2017). Hence, this study aims to address the question: Are companies complying with the new disclosure requirements before the CSRD is enforced? By employing Content Analysis and Score Analysis on corporate sustainability disclosure documents, this research seeks to identify whether companies are preemptively meeting the CSRD's standards, which could inform policymakers about the efficacy of regulation in influencing corporate behavior.

Given the global relevance of social and environmental concerns, this study offers valuable insights into the comparability and transparency of corporate sustainability information. To the best of our knowledge, it is the first study to evaluate companies' sustainability disclosures in the year preceding the CSRD's enactment, providing original evidence on the impact of anticipated regulatory compliance on corporate behavior.

This introduction is followed by a review of the literature on corporate sustainability reporting, as well as an analysis of the drivers and implications of disclosure under the CSRD. The subsequent sections detail the research methodology, present the research findings and their discussion, and conclude with implications, limitations, and suggestions for future research

2. Literature Review

2.1. Contextualization in Portugal

Portugal presents a unique and insightful context for studying sustainability reporting practices under European regulatory frameworks like the Corporate Sustainability Reporting Directive (CSRD). In recent years, Portuguese companies have been engaging with sustainability disclosures, yet studies suggest they may still face specific challenges compared to their European counterparts, highlighting the significance of examining this country specifically. While the CSRD applies across the European Union, the extent of compliance, the quality of disclosures, and the challenges of implementation may vary across different national contexts. Portugal, with its emerging engagement in sustainability reporting, stands out for several reasons.

Historically, Portugal has shown significant progress in non-financial disclosure, but limitations remain, particularly regarding the comprehensiveness and depth of the information provided. Research has identified a lag between compliance levels and the quality of disclosures, with Portuguese companies frequently fulfilling only the minimum requirements without fully addressing issues such as human rights, corruption, and environmental sustainability (Gouveia, 2022; Agostini et al., 2022). Studies by Lourenço (2017), Ribeiro (2019), and Silva (2021) highlight this partial compliance and an uneven focus across reporting topics, suggesting that while Portuguese companies disclose basic information, they often omit comprehensive analyses on broader societal impacts. These findings reflect a trend that, while sustainable reporting has become a priority, its quality and consistency need improvement to match the standards seen in countries like France and Germany.

Portugal's regulatory adaptation to EU directives on sustainability, especially Directive 2014/95/EU, has encouraged companies to disclose non-financial information, yet these disclosures are often limited by a lack of strategic depth. Lourenço (2017) and Silva (2021) note that financial information still outweighs non-financial information in many disclosures, and significant gaps persist in the coverage of social and environmental factors. Gouveia (2022) further notes that, while disclosure quantity increased after Directive 2014/95/EU, the quality and clarity of such information remain inconsistent. This context presents a compelling case for analyzing the potential impact of the CSRD on Portuguese companies, especially given that the CSRD aims to harmonize sustainability reporting across the EU, which may have profound implications for how Portuguese companies approach sustainability reporting.

Moreover, Portugal's economic structure, characterized by a high proportion of small to medium-sized enterprises (SMEs), may present additional challenges and insights in sustainability reporting. Unlike some larger economies in Europe, where corporate sustainability reporting is more ingrained, Portuguese firms may face a steeper learning curve in integrating the comprehensive CSRD standards. This scenario is relevant as it reflects the readiness and adaptability of companies in a mid-sized economy to adopt stricter sustainability frameworks, potentially serving as a model or counterpoint to the implementation experiences in other EU nations with similar economic structures.

Additionally, recent literature suggests that sustainability reporting in Portugal may be influenced by an evolving institutional environment and a shift toward international best practices. Institutional theory posits that organizations are shaped by their external environments, and in the case of Portuguese companies, this influence may manifest through regulatory pressure from the EU, the rising expectations of global investors, and increasing scrutiny from civil society. The CSRD could therefore serve as a catalyst, pushing Portuguese companies to enhance their disclosure practices not just in quantity but in quality, promoting transparency and accountability across all sectors.

In this context, the study of Portuguese companies under the CSRD provides valuable insights for understanding how an evolving regulatory environment impacts corporate behavior in sustainability reporting. Examining Portugal allows us to observe whether regulatory frameworks like the CSRD can act as an enabler of more meaningful disclosures in countries where sustainability reporting practices are still maturing, ultimately contributing to the broader debate on the role of regulation in driving sustainable corporate practices.

2.2. Corporate Sustainability Reporting Directive

The EC introduced through Directive 2014/95/EU the obligation for companies to disclose information on how sustainability issues affect their performance, position and development (CSRD Proposal). Directive 2014/95/EU aimed to increase the degree of harmonization of the disclosure of information on the sustainability of companies of public interest through a mandatory legal provision. However, this harmonization process faced difficulties because Member States had the possibility of transposing the Directive into national legislation with different provisions (Fiandrino & Tonelli, 2021).

Directive (EU) 2022/2464 presents issuance of uniform European reporting standards and introduction of mandatory external assurance, in mandatory sustainability reporting for all large undertakings in the European Union, as well as third-country undertakings active in the Union and new rules (Pantazi, 2024). The new Directive broadens the scope of entities required to report on sustainable development, such as SMEs. The aim is to make it easier for investors, in particular credit institutions, to manage sustainable development risk, i.e. the opportunities and impacts of their activities on people and the environment (Kamiński, 2023). Ortiz-Martínez and Marín-Hernández (2023) note in their study that, despite the obligations of Directive 2014/95/EU, sustainability information is intended for global stakeholders, not applying to sustainability reports (GRI) of SMEs and their close stakeholders and in local languages.

The 2030 Agenda for Development, adopted by all United Nations Member States in 2015, approved the SDGs. Currently, the achievement of the SDGs is the basis for solving humanity's global problems and these goals require financial and informational support, as well as sustainability reporting practices (Makarenko & Makarenko, 2023). These objectives reflect the great challenges that the global community faces in trying to achieve sustainable development ambitions (Matos 2021), as the only common understanding of the Triple Bottom Line (TBL) of sustainable development: economic, social and environmental (Fleacă et al., 2023). Over the past few years, the European Parliament and the Council have supported the implementation of these objectives (CSRD, §6). In the Resolution of June 15, 2023, on the implementation and achievement of the SDGs, paragraph 73, the European Parliament states that:

The reporting and due diligence of companies in matters of sustainability, when subject to relevant audits, can provide an important framework to encourage greater accountability in the private sector regarding companies' social and environmental impact and their contribution to achieve the SDGs.

The connections between sustainability performance and the progress towards SDGs led to a growing number and diversity of data and information developed and used to identify, analyse, measure, verify and report a wide range of sustainability matters (Fleacă et al., 2023). The purpose of disclosing sustainability information is to contribute to achieving the SDGs, but the ability for companies to collaborate with government to achieve sustainability goals is critical because it requires hard work on the part of companies: aligning business models and strategies in accordance with the SDGs, define measurable goals, control and transparently describe the process (Izzo et al., 2020b). Fleacă et al. (2023) report that the SDG index is not advancing globally, and that in 2021 the average score decreased slightly, because the poorest and most vulnerable nations, with lower scores on the SDG Index, advanced more quickly than rich nations.

Directive 2014/95/EU on the disclosure of non-financial information was a historic step forward in increasing accountability and responsiveness to sustainable development. The introduction of this Directive marked a progressive movement, from a voluntary disclosure regime decreed by a framework of international standards to a mandatory disclosure regime regulated by law (Fiandrino & Tonelli, 2021). The EC identified problems regarding the effectiveness of Directive 2014/95/EU, namely the fact that many companies did not disclose "material information on all important topics related to sustainability, namely climate-related information, including all gas emissions greenhouse effect and factors that affect biodiversity" (CSRD, §13). Furthermore, the Commission recognized that the lack of comparability and reliability of information disclosed by companies are significant problems in the effectiveness of this directive (CSRD, §13).

Thus, on April 21, 2021, the EC presented the Proposal for a Directive, with the aim of contributing to the transition to a fully sustainable and inclusive economic and financial system, in accordance with the European Green Deal and the Sustainable Development Goals of United Nations (CSRD, 2022; Enander & Flygare, 2023). On November 16, 2022, the EC approved the CSRD, which came into force 20 days after its publication in the Official Journal of the European Union. The CSRD aims to adjust the requirements of the Non-Financial Information Disclosure Directive and contribute to sustainable development. According to §10 of the CISE Directive of the European Parliament and of the Council, one of the reasons why Directive 2013/34/EU was amended is related to the terminological change “non-financial information” to “sustainability information” as it is a less depressive. It is stated in this paragraph that the changes to this directive are expected to “increase data comparability and harmonize standards”.

The CSRD applies, among others, to the following companies: all companies, except for micro-enterprises, whose securities are admitted to trading on a regulated market in the Union and all companies that are parent companies of large groups (they must prepare group-level reporting) (CSRD, §17). It comes into force in Member States upon transposition into national law. Member States must comply with the established deadlines: public interest entities that are parent companies of a large group, which at the balance sheet date, exceed, on a consolidated basis, the average number of 500 employees during the financial year must disclose the information on sustainability in financial years starting on or after January 1, 2024, in accordance with standards established by the EC.

The Commission adopted a first set of cross-cutting sustainability reporting standards through delegated acts on 14 June 2023, regarding the information that companies must disclose in relation to “all areas of information reporting and sustainability issues and that market participants are complying with the disclosure obligations set out in Regulation (EU) 2019/2088” (CSRD, §54). It is expected that the second set of standards will be presented by June 30, 2024. The second set of standards establishes proportional requirements for small and medium-sized companies, companies from third countries and specific information for the sectors in which companies operate. On the other hand, to enable reported information to be tagged according to sustainability reporting standards, a digital taxonomy for the same is needed (CSRD, § 55).

Given the limited timeframe for companies to prepare for the implementation of the directive, it is essential that they start acting now to understand the impact of the directive on their sustainability strategy, as well as the impact on their corporate reporting, internal controls and other key business processes (Orth & Hobbs, 2022).

The European Financial Reporting Advisory Group (EFRAG) is a non-profit association that serves the public interest by providing advice to the EC on sustainability reporting. EFRAG developed the European Sustainability Reporting Standards (ESRS), standards that establish the requirements that companies must meet to report sustainability information under the CSRD (Fleacă et al., 2023; Makarenko & Makarenko, 2023).

Sustainability standards aim to “ensure the quality of the information communicated, requiring that they be understandable, relevant, verifiable, comparable and presented faithfully” (Article 1 - Amendment of Directive 2013/24/EU, point 8 of the CSRD or Chapter 6-A, Article 29-B, Directive 2013/24/EU). The standards distinguish between the information that companies must communicate when disclosing information at the individual level and the information that companies must communicate when disclosing information at the group level. In parallel, sustainability reporting standards should consider internationally recognized principles and frameworks on responsible business conduct, CSR and sustainable development (CSRD (§45).

2.3. Theoretical Framework

Sustainability information has emerged as a critical component of corporate accountability, reflecting a confluence of societal awareness, regulatory imperatives, and the growing prioritization of stakeholder interests. This transformation has been particularly driven by the European Union's (EU) proactive stance, exemplified by directives such as the Corporate Sustainability Reporting Directive (CSRD) and Directive 2014/95/EU. These frameworks emphasize the integration of environmental, social, and governance (ESG) metrics into corporate disclosures, fostering a sustainable economy that balances profitability with environmental stewardship and social equity (European Commission, 2022). As sustainability disclosures have gained prominence, their evolution in terminology and focus highlights their growing strategic importance in business contexts.

Over the years, sustainability disclosures have shifted from being labeled "non-financial information" (NFI) to being recognized as financially material and integral to organizational goals. Erkens et al. (2015) describe NFI as encompassing dimensions beyond traditional financial assessments, including social, environmental, and intellectual capital performance. Ribeiro (2019) adds that NFI excludes data directly derived from accounting statements, emphasizing governance and environmental aspects prepared outside traditional accounting standards. These shifts underscore the evolving role of sustainability information in addressing both internal and external stakeholder needs.

Li et al. (2023) further delineate the conceptual orientations of sustainability-related frameworks: ESG, corporate social responsibility (CSR), and socially responsible investments (SRI) align with investor-driven contexts, while the triple bottom line (TBL) emphasizes procedural integration across supply chains. Montecalvo et al. (2018) and Martínez-Ferrero et al. (2021) argue that "sustainability information" transcends compliance, focusing instead on proactive strategies to achieve long-term corporate goals.

The growing demand for sustainability disclosures reflects heightened awareness of global challenges, including environmental crises, human rights, and social equity issues. Fiandrino and Tonelli (2021) highlight the critical role of social responsibility in shaping corporate culture and market competitiveness. Investors, as key stakeholders, have increasingly incorporated ESG factors into decision-making processes, recognizing their value in mitigating risks and optimizing portfolio performance (Daugaard et al., 2022). Concurrently, studies such as Viet et al. (2021) reveal that robust sustainability disclosures enhance consumer trust and preference, further reinforcing the strategic value of transparency.

However, challenges in standardizing sustainability reporting persist, often resulting in inconsistencies and limited comparability (Ribeiro, 2019). To address these issues, regulatory frameworks like Directive 2014/95/EU have mandated baseline disclosure requirements, encouraging harmonized practices across the EU. The CSRD builds on this foundation by requiring companies to integrate sustainability and financial data into cohesive management reports, improving accessibility and utility for stakeholders (European Commission, 2022).

Talpur et al., (2024) offers a systematic review of the decoupling phenomenon in corporate social responsibility (CSR), highlighting how companies often engage in superficial CSR practices to meet external expectations while neglecting genuine internal implementation. It emphasizes the critical need for aligning disclosed commitments with actual practices to foster trust and organizational sustainability. The authors call for future research to address gaps in the literature, particularly the role of corporate governance in reducing decoupling, and to develop conceptual models that integrate complex CSR regulations into actionable frameworks. The article also examines the societal and environmental consequences of CSR decoupling, noting its contribution to persistent global challenges and its potential to mislead stakeholders, creating market inefficiencies and information asymmetries. These findings underscore the urgency of enhancing accountability and transparency in CSR practices.

Also, Celli et al., (2024) examine the impacts of the Corporate Sustainability Reporting Directive (CSRD) on Italian small and medium-sized enterprises (SMEs), exploring future scenarios for its implementation. The study highlights challenges such as limited technical capacity, resource constraints, and the need to adapt to European Sustainability Reporting Standards (ESRS). While acknowledging the CSRD's potential to enhance transparency and sustainability, the authors emphasize the need for tailored approaches, including technical and regulatory support, to address SMEs' unique needs. The article concludes by proposing strategies such as financial incentives and training programs to facilitate compliance and strengthen sustainability within the Italian business sector.

Recent studies offer a comprehensive exploration of the Corporate Sustainability Reporting Directive (CSRD) and its implications across various contexts. Alharbi and Mahgoub (2024) analyze the contextual and traditional factors influencing CSRD adoption in Saudi Arabia, highlighting the interplay between local regulations, corporate culture, stakeholder expectations, and economic infrastructure, particularly in light of Saudi Vision 2030. They emphasize the need for a balanced approach to align global requirements with regional specificities. Similarly, Matuszak-Flejszman et al., (2024) examine Polish commercial banks' efforts to meet CSRD demands, focusing on challenges such as materiality assessment, data collection, and ESG integration, while noting the need for regulatory support and capacity building to enhance compliance.

On the other hand, Van Dijk, et al., (2024) provide a broader overview of the evolution of global corporate sustainability reporting, tracing the rapid development of frameworks such as the CSRD, European Sustainability Reporting Standards (ESRS), and international initiatives like the ISSB and SEC proposals. They highlight the strategic and organizational impacts of these standards and their contribution to global harmonization. Fornasari and Traversi (2024) delve into how the CSRD and ESRS drive greater transparency and comparability in ESG reporting, despite challenges related to compliance costs and technical complexity. They underscore the frameworks' role in fostering trust and promoting sustainable business practices.

Finally, Velte (2024) focuses on non-carbon environmental objectives, such as biodiversity protection and the circular economy, within the EU Taxonomy Regulation and ESRS framework. Emphasizing the centrality of ESRS 2 in defining general principles for ESG reporting, Velte identifies its potential to ensure consistent and comprehensive disclosures, while acknowledging challenges in practical adoption. Together, these studies underscore the transformative role of the CSRD and related frameworks in advancing sustainability reporting and corporate responsibility globally.

In addition to regulatory measures, voluntary standards such as the Global Reporting Initiative (GRI), the International Integrated Reporting Framework, and ISO 26000 have emerged as pivotal tools. These frameworks promote transparency, comparability, and a holistic approach to sustainability reporting. For instance, the GRI's double materiality principle emphasizes addressing both financial impacts and broader societal implications of sustainability factors (Fleacă et al., 2023). Such initiatives align corporate practices with international sustainability benchmarks, including the United Nations Global Compact and Sustainable Development Goals (SDGs) (Ribeiro, 2019).

The advent of digital technologies has further transformed sustainability reporting. By requiring reports to be publicly accessible online, the CSRD fosters greater stakeholder engagement and accountability (CSRD, §55). Digital platforms enhance the usability of disclosures, enabling broader reach and alignment with modern transparency expectations.

Integrated reporting (IR) represents a paradigm shift in corporate disclosures, combining financial and non-financial information to illustrate how companies create, preserve, or diminish value over time. Baumuller and Sopp (2022) argue that IR addresses the evolving expectations of investors and stakeholders, offering a holistic view of the interplay between financial performance and sustainability outcomes. Izzo et al. (2020) further highlight IR's role in strategic alignment, helping organizations balance short-term profitability with long-term goals.

As IR and other advanced reporting frameworks gain traction, sustainability reporting has become central to corporate strategy. This evolution reflects a broader recognition that long-term success is defined not only by financial outcomes but also by the organization's capacity to contribute to environmental and social well-being.

3. Methodology and Method

In a rigorous research process, it is necessary to raise questions that must be clarified, delimit the study topic and the main questions that we want to problematize. To this end, a literature review was carried out to identify authors, statements, studies and dimensions of the problem formulated, to then consider the objectives of the investigation, as well as the question that guides the investigation (Reis, 2017). Consequently, and with the aim of analyzing whether companies are already in compliance with the new disclosure requirements before CSRD comes into force, the study is based on the following question: Are companies already in compliance with the new disclosure requirements before the CSRD comes into force? entry into force of the CSRD?

Considering the applicability of the CSRD (§17), and as companies with listed values are considered to be of public interest and more accessible in obtaining information, it was decided to analyze the disclosure of information on sustainability based on a sample of Portuguese companies with listed values in the Portuguese Stock Index (PSI) of Euronext Lisbon on January 1, 2023. To select the sample, a search was carried out on the Euronext Lisbon website (https://www.bolsadelisboa.com.pt/) and the list of companies consisting of 16 companies, as shown in Table 1.

Table 1. Companies listed in the PSI on Euronext Lisbon on 01/01/2023.

List of companies
Altri SGPS, S.A.
B. Com. Português
Corticeira Amorim, SGPS, S.A.
CTT – Correios de Portugal, S.A.
EDP – Energias de Portugal, S.A.
EDP Renováveis, S.A.
Galp Energia, SGPS, S.A.
Greenvolt – Energias Renováveis, S.A.
Ibersol, SGPS, S.A.
Jerónimo Martins, SGPS, S.A.
Mota-Engil, S.A.
NOS, SGPS, S.A.
REN – Redes Energéticas Nacionais, SGPS, S.A.
SEMAPA
SONAE – SGPS, S.A.
The Navigator Company

Note. Taken from Euronext Live Markets (Euronext Lisbon | live), © 2023 Euronext.

Of the companies that belong to the PSI on January 1, 2023, the following were excluded:

Companies that do not disclose the audited financial reporting document in accordance with The European Single Electronic Format (ESEF) and/or sustainability report on the institutional website;

Companies that have not been audited in accordance with Portuguese legislation;

Credit institutions have different criteria for disclosing sustainability information.

Thus, the final sample consists of 12 companies belonging to different sectors of activity (Table 2).

Companies can be grouped into activity sectors according to the Industry Classification Benchmark (ICB), adopted by Euronext Lisbon (Lourenço 2017). The sectors "0001, Oil &Gas", "1000, BasicMaterials" and "3000, ConsumerGoods" are represented by only one company, respectively. The predominant sector of activity in the final sample is the "5000 Consumer Services" sector.

Table 2. List of Companies listed in the PSI on Euronext Lisbon, by Sector/Industry on 01/01/2023.

Listed companies	Sector/Industry
Altri SGPS, S.A.	2000, *Industrials*
Corticeira Amorim, SGPS, S.A.	3000, *ConsumerGoods*
CTT – Correios de Portugal, S.A.	2000, *Industrials*
EDP – Energias de Portugal, S.A.	7000, *Utilities*
Galp Energia, SGPS, S.A.	0001, *Oil &Gas*
Ibersol, SGPS, S.A.	5000, *Consumer Services*
Jerónimo Martins, SGPS, S.A.	5000, *Consumer Services*

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Mota-Engil, S.A.	2000, *Industrials*
NOS, SGPS, S.A.	5000, *Consumer Services*
REN – Redes Energéticas Nacionais, SGPS, S.A.	7000, *Utilities*
SONAE – SGPS, S.A.	5000, *Consumer Services*
The Navigator Company	1000, *BasicMaterials*

Note. Adapted from Lourenço (2017).

The information was collected on the companies' institutional websites, from the reports where companies publish information on sustainability, namely, Report and Accounts, Integrated Report, Sustainability Report and Government and Society Report. A total of 15 documents relating to the 2022 financial year were collected and analyzed and presented in the Table 3.

Table 3. Reports from the companies analyzed for the 2022 financial year.

Listed companies	Report type
Altri SGPS, S.A.	Integrated Report and Corporate Governance Report
Corticeira Amorim, SGPS, S.A.	Integrated Report
CTT – Correios de Portugal, S.A.	Integrated Report
EDP – Energias de Portugal, S.A.	Integrated Report
Galp Energia, SGPS, S.A.	Integrated Report
Ibersol, SGPS, S.A.	Integrated Report
Jerónimo Martins, SGPS, S.A.	Report and Accounts
Mota-Engil, S.A.	Report and Accounts and Sustainability Report
NOS, SGPS, S.A.	Integrated Report
REN – Redes Energéticas Nacionais, SGPS, S.A.	Integrated Report
SONAE – SGPS, S.A.	Integrated Report
The Navigator Company	Report and Accounts and Sustainability Report

Note. Self elaboration.

We can see in Table 3 that 8 companies disclose information about sustainability in the Integrated Report (approximately 66.67% of the companies in the sample), 2 companies disclose it in the Report and Accounts and in the Sustainability Report and one company discloses it in the Integrated Report and the Report of Corporate Governance.

Since the objective of the study is the analysis of documents adopted by companies to disclose information about sustainability, it was decided to use the Content Analysis technique complemented by the Score Analysis technique. This analysis is thus the most common method for evaluating disclosure. Content analysis is a set of communication analysis techniques (Bardin, 1977). According to Henry and Moscovici "everything that is said or written is susceptible to being subjected to a content analysis" (as cited in Bardin, 1977, p.33). According to Lourenço (2017), the most common option for identifying the presence or absence of certain information is the use of a binary code ("1" when the information in question is disclosed and "0" otherwise) combined with the elaboration of a disclosure index, which contains the totality of information to be disclosed, thus allowing the current percentage of disclosure to be measured compared to the total that should be disclosed, with the higher the percentage obtained, the greater the amount of information disclosed. It is, however, a technique that has limitations, as it does not allow identifying whether a given company is disclosing the entirety of an indicator under analysis. In this way, not disclosing is different from not disclosing in full, or in different percentages, which means that the analysis is

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distorted and a more precise, broader and higher quality analysis is necessary to analyze such differences.

In the first instance, the disclosure requirements of the CSRD were analyzed in order to identify the items that underpin the study. During the analysis it was found that there are requirements of the CSRD that cannot be considered because this investigation aims to study companies based in Portugal, in addition, companies could only disclose information after the approval of the first set of standards, and these are complex requirements. A table was then created in Excel format with the items submitted for analysis and the reports that companies use to disseminate the information were collected.

To fill these gaps, the Score Analysis method was developed (Lourenço, 2017), which served as inspiration for this investigation. According to the author, this methodology allows the use of a broader scoring system instead of binary code. Score Analysis allows you to evaluate the extent of the item partially disclosed, that is, each item is assigned a score according to the number of elements identified. Through this analysis it is possible to understand whether the company "Discloses", "Does not disclose" or "Partially discloses" the information required by the CISE Directive. As the information was partially analyzed, it was possible to evaluate the quality of the information on sustainability that the companies in the sample disclose. There are limitations in the application of this method due to its subjectivity, as it is largely subject to the sensitivity, integrity and knowledge of the researcher. Furthermore, companies' lack of objectivity in disclosing information about sustainability makes analysis difficult and influences the conclusions obtained.

The first set of information that must be communicated by companies in accordance with the ESRS was released by the EC on July 31, 2023. This first set discloses the intersectoral requirements, that is, they apply to all companies covered by the scope of the ESRS. application of the CISE Directive. The first set of European sustainability reporting standards is divided into two parts:

Cross-cutting standards: ESRS 1 General requirements and ESRS 2 General disclosures;

Environmental, social and governance standards: 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, ESRS S1 Own workforce, ESRS S2 Workers in the value chain, ESRS S3 Affected communities, ESRS S4 Consumers and end users and ESRS G1 Business conduct.

To answer the research question, transversal standards were analyzed, more precisely, general disclosures (ESRS 2). Subsequently, these indicators were disaggregated into sub-indicators in accordance with the provisions presented by EFRAG, which aim to ensure the correct application of the standards. The sub-indicators in which the definition could raise doubts were disaggregated and reformulated, without changing the meaning. But as previously mentioned, there are requirements that were not considered in the analysis because this investigation aims to study companies based in Portugal, in addition, companies could only disclose information after the approval of the first set of standards, and these are requirements complex (The indicators and sub-indicators that were analyzed are presented in the Annexes.)

According to the study carried out by Lourenço (2017, p. 32), the "objective was to assign a certain score to the analyzed sub-indicator in order to conclude whether it was disclosed or not, in this case in the presence of a binary code, in where "0" corresponds to non-disclosure and "1" to disclosure". But as the sub-indicators are complex and the extent of the analysis is greater, the application of the "binary code" became inappropriate, and it was decided to add the scoring unit.

Fourteen indicators were defined, which are broken down into 110 sub-indicators subject to analysis. These sub-indicators were assigned a minimum score that corresponds to "0" and a maximum score that corresponds to the highest value on the right in the "Score" column. Subsequently, the documents were analyzed and all indicators for each company were analyzed sequentially. If the company disclosed all items of a sub-indicator, the maximum score would be assigned, but if there was no evidence of information, a score of "0" would be assigned.

Following the reasoning of Henrique (2017), in certain situations of random analysis of one of the sub-indicators for which there was a need to add a greater number of analysis units to the "binary code". Therefore, if there are disclosures about sustainability in a given item, a maximum score of,

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for example, four points could be assigned, if the company obtained complete disclosure with the disclosure of the four items simultaneously, but if the company disclosed three items would be given a score of "3", if it disclosed two items it would be given a score of "2", if there was only a reference to one item it would be given a score of "1", and if the company did not disclose the information it would be given a score of "1". score "0".

If companies do not disclose information because they do not apply certain items, a "Not Applicable" score was assigned to the respective sub-indicators. For example, in the sub-indicator "1. Describes the main characteristics of the pension plan", some companies do not have pension plans, and in these cases the classification "Not applicable" was assigned. In the sub-indicator "2. If the unit of measurement of a metric is currency, the company uses the same currency that served as the basis for presenting its financial statements", we can see that most companies do not disclose metrics whose unit of measurement is currency, and in these cases, it was considered "Not applicable".

The maximum total score to be achieved was calculated individually for each company to take into account items not applicable by companies.

4. Results

Considering the objective under study, it was found that there are sub-indicators that have a propositional logic, that is, companies will only have to disclose information if they consider this requirement in the company's strategy. For example, the company will not disclose information about the consideration given to the interests of the main stakeholders in defining the policy, if it does not define its policies taking into account the interests of the main stakeholders (sub-indicator 5 of the MDR-P Policies indicator — Policies adopted to manage material sustainability issues). Companies may not disclose information because they do not apply a certain requirement in the company. Consequently, the percentage values must be analyzed taking this fact into account to avoid biased conclusions.

Overall for the 12 companies that make up the sample, the average level of disclosure of information on sustainability is 49.58%. This result can be justified by the lack of precision of the requirements and a high number of private standards and frameworks that made it difficult for companies to obtain exact knowledge of the information they should disclose (Proposal for a Directive on Sustainability Reporting: Amendment of Directive 2013/34/ EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) no 537/2014, 2021), and companies may not put certain requirements into practice in their business strategy. Table 4 shows the level of disclosure of the companies that make up the sample.

Table 4. Level of disclosure of the companies that make up the sample.

Listed company	Sector/Industry	Level of disclosure in %
Altri SGPS, S.A.	2000, *Industrials*	57.14%
Corticeira Amorim, SGPS, S.A.	3000, *ConsumerGoods*	44.98%
CTT – Correios de Portugal, S.A.	2000, *Industrials*	37.32%
EDP – Energias de Portugal, S.A.	7000, *Utilities*	70.33%
Galp Energia, SGPS, S.A.	0001, *Oil &Gas*	46.19%
Ibersol, SGPS, S.A.	5000, *Consumer Services*	25.49%
Jerónimo Martins, SGPS, S.A.	5000, *Consumer Services*	59.24%
Mota-Engil, S.A.	2000, *Industrials*	59.33%
NOS, SGPS, S.A.	5000, *Consumer Services*	48.33%
REN – Redes Energéticas Nacionais, SGPS, S.A.	7000, *Utilities*	44.55%
SONAE – SGPS, S.A.	5000, *Consumer Services*	43.54%

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The Navigator Company	1000, *BasicMaterials*	58.57%

Note. Self elaboration.

As we can see, EDP – Energias de Portugal, S.A. is the company with the highest level of disclosure with 70.33%. In addition to this, there is a group of 4 more companies that have a higher than average level of disclosure and 7 companies with a lower than average level of disclosure. The company with the lowest level of disclosure is Ibersol, SGPS, S.A with 25.49%. Next, a detailed analysis of the disclosure requirements for information on sustainability of the companies that were selected for this investigation was carried out. Table 5 shows the average disclosure per indicator.

Table 5. Average disclosure level per indicator.

Indicator	**Average disclosure level in %**
Preparation basis	
BP1 — General basis for preparing sustainability statements	4,41%
Governance	
GOV1 — Role of the administrative, management and supervisory bodies	43.56%
GOV2 — Information provided and sustainability issues addressed by the company's administrative, management and supervisory bodies	31.25%
GOV 3 — Integration of sustainability-related performance into incentive schemes (for members of the administrative, management and supervisory bodies related to sustainability issues)	61.67%
GOV4 — Statement on duty of care	46%
GOV5 — Risk management and internal controls for reporting on sustainability	70.24%
Strategy	
SBM1 — Strategy, business model and value chain	65.22%
SBM2 — Stakeholder interests and views	61.31%
SBM3 — Material impacts, risks and opportunities and their interaction with the strategy and business model	44.35%
Management of impacts, risks and opportunities	
IRO1 — Description of the processes for identifying and assessing material impacts, risks and opportunities	43.21%
Minimum requirements for disclosure of policies and actions	
MDR-P Policies — Policies adopted to manage material sustainability issues	45.51%
MDR-A Actions — Actions and resources related to material sustainability issues	55.25%
Metrics and goals	
MDR-M Metrics — Metrics in relation to material sustainability issues	38.39%
MDR-T Targets — Monitoring the effectiveness of policies and actions through targets	65.15%
Final average of disclosure in %	49.58%

Note. Self elaboration.

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By analyzing Table 5, it can be seen that the indicator that presents the highest average level of disclosure (70.24%) is the requirement "GOV–5 — Risk management and internal controls for the communication of information on sustainability". Among other reasons, this result is justified by the fact that all companies representing the sample disclose the sub-indicator "2. Identifies the risk assessment approach that is followed, including the methodology for defining risk priorities", and most companies disclose the sub-indicator "3. It mentions the main risks identified, as well as the respective mitigation strategies (including related controls)". These sub-indicators are extremely important for reporting on company sustainability. We can also see in Table 5 that the indicator that presents the lowest average level of disclosure (4.41%) is the requirement "BP-1 - General basis for preparing sustainability statements".

Companies do not disclose that they omit a specific element of information corresponding to intellectual property, know-how or innovation results (sub-indicator 2.4.), only two companies disclose a sub-indicator referring to Sources of Estimates and uncertainty of results , only two companies disclose information on sub-indicator 4, regarding changes in the preparation and presentation of information on sustainability, and no company discloses sub-indicator 5 on the material errors in the previous period that were identified. In Table 6 we can observe the indicators in descending order according to the level of average disclosure.

Table 6. Indicators in descending order of position according to the level of average disclosure.

Indicator	Average disclosure level in %
GOV5 — Sustainability reporting internal controls and risk management	70.24%
SBM1 — Strategy, business model and value chain	65.22%
MDR-T targets — Monitoring the effectiveness of policies and actions against targets	65.15%
GOV 3 — Integration of sustainability-related performance into incentive schemes (for members of administrative, management and supervisory bodies related to sustainability issues)	61.67%
SBM2 — Interests and views of stakeholders	61.31%
MDR-A actions — Actions and resources related to material sustainability issues	55.25%
GOV4 — Due diligence statement	46%
MDR-P policies — Policies adopted to manage material sustainability issues	45.51%
SBM3 — Material impacts, risks and opportunities and their interaction with strategy and business model	44.35%
GOV1 — Role of administrative, management and supervisory bodies	43.56%
IRO1 — Description of processes for identifying and assessing material impacts, risks and opportunities	43.21%
MDR-M metrics — Metrics in relation to material sustainability issues	38.39%
GOV2 — Information provided and sustainability issues addressed by the company's management, executive and supervisory bodies	31.25%
BP1 — General basis for preparing sustainability statements	4.41%

Note. Self elaboration.

Regarding the indicator "SBM1 — Strategy, business model and value chain" with the second highest level of disclosure (65.22%), we can see that the majority of companies describe the significant

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groups of products offered and/or of services provided and changes in the reporting period (sub-indicator 1.1) and describes the significant markets and/or customer groups served by the company and changes in the reporting period (sub-indicator 1.2). But companies do not disclose information on the number of salaried workers by geographic area (sub-indicator 1.3), and they also do not disclose information on products and services that are subject to bans in certain markets (if applicable and if material). Although this requirement presents positive results, in relation to the average level of disclosure, it is worth noting that companies should approach this requirement with more dedication because the information required is not visible in company reports. The company that presents a lower level of disclosure on this indicator is SONAE – SGPS, S.A. and the company that presents a higher level of disclosure is NOS, SGPS, S.A.

Regarding the indicator "MDR-T Goals — Monitoring the effectiveness of policies and actions through goals", which occupies third position with a disclosure level of 65.15%, we can see that it is the indicator with the highest number of sub-indicators (21 sub-indicators). Despite this, if companies already disclose the information required in these sub-indicators, the information is easily identified in company reports.

Most companies already disclose "the measurable and time-bound results-oriented targets that the company has set to meet policy objectives defined in terms of expected outcomes for people, the environment or the company with respect to impacts, risks and material opportunities" (sub-indicator 2) and "global progress towards achieving the goals adopted over time" (sub-indicator 3). But companies do not disclose whether stakeholders participate in defining goals for material sustainability issues (sub-indicator 5). Furthermore, it was observed that companies may even disclose the base year from which progress towards goals is measured, but do not clearly disclose the reference value. It is important to mention that all companies disclose measurable goals, for this reason, sub-indicator 8 related to the absence of any measurable results-oriented goal is classified as "Not applicable".

The indicator "GOV 3 — Integration of sustainability-related performance into incentive schemes (for members of administrative, management and supervisory bodies related to sustainability issues)" has an average disclosure level of 61.67%. It was concluded that half of the companies do not have a pension plan, and in these cases, the classification "Not applicable" was assigned to the sub-indicator "1. Describes the main features of the pension plan". It was observed that the majority of companies that disclose in their reports that the administrative, management and supervisory bodies related to sustainability issues are evaluated based on objectives and/or impacts related to sustainability (sub-indicator 2), they do not specify the objectives and/or impacts related to sustainability. It is important to note that companies will have to improve the disclosure of information regarding this requirement.

Regarding the indicator "SBM2 — Interests and points of view of stakeholders", with an average level of disclosure of 61.31%, we highlight that all companies disclose their main stakeholders (sub-indicator 1.1.) and, in relation to the sub -indicator "1.2. If there is involvement with them and for which categories of stakeholders" it is worth noting that only one company does not fully disclose this sub-indicator. The information required in sub-indicator "3.1. The way in which the company has changed or expects to change its strategy and/or business model to respond to the interests and points of view of its stakeholders" is not apparent in the reports. In this case, it is recommended that companies be more explicit in disclosing this requirement, as this information is extremely important for stakeholders. Through the analysis of this indicator, it was observed that all companies want to develop a relationship with their stakeholders with the aim of improving the performance of the activity and to understand how they can create a positive impact for them. EDP – Energias de Portugal, S.A., Jerónimo Martins, SGPS, S.A. and The Navigator Company were the companies that presented the highest level of disclosure with a result of 92.86%. On the other hand, Altri SGPS, S.A. presented the lowest level of disclosure with 28.57%.

The indicator "MDR-A Actions — Actions and resources related to material sustainability issues" presents a disclosure level of 55.25%. From the analysis of the reports, it can be seen that most companies clearly define the measures taken in the reporting year and which are planned for the

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future, and the way in which their execution contributes to the achievement of political objectives and goals (sub -indicator 1.1). All companies analyzed carry out their activity incorporating measures that contribute to the United Nations SDGs, contributing more actively to objectives that are more interconnected with the activity. The time horizons for actions established by companies are also aligned to contribute to the 2030 Agenda, which means that companies are committed to sustainability. The CISE Directive requires companies to disclose significant operating costs (Opex) and/or capital expenditure (Capex) relating to action plans, but companies representing the sample for this research are not disclosing this information.

Regarding the indicator "GOV4 — Declaration on due diligence" it was found that companies are very succinct in explaining how and where they are applying the process inherent to due diligence in their sustainability reporting. It is notable that there is still a long way to go before the disclosure of this requirement is complete. Companies disclose that they apply the process inherent to the duty of diligence in Human Rights matters, but do not mention the application in environmental and governance issues.

In eighth position is the indicator "MDR-P Policies — Policies adopted to manage material sustainability issues" with an average level of disclosure of 45.51%. This result must be analyzed, taking into account the existence of sub-indicators that require the disclosure of items that companies may not put into practice in their strategy, as is the case with information from sub-indicators 4, 5 and 6. The only company that obtained the maximum score (100%) was EDP – Energias de Portugal, S.A. because it disclosed all the required items. According to the results obtained in this indicator, we can say that it is clear that companies are not giving due importance to the disclosure of this information, and it is worth noting that there are companies that do not disclose this information in their reports, but do disclose it on the institutional website.

The indicator "SBM3 — Material impacts, risks and opportunities and their interaction with the strategy and business model" has an average disclosure level of 44.35%. A maximum score of 3 points was assigned for sub-indicator "1. Brief description of the elements on which material impacts, risks and opportunities are concentrated in your business model, in your own operations and in your upstream and downstream value chain, resulting from your materiality assessment" because it was found that the Companies can disclose impacts and risks, but they have difficulty disclosing opportunities. The same reasoning was followed to assign the scores for sub-indicators 2, 3 and 9. We can observe that only 3 companies disclose their investment plans and only 2 companies disclose the sources of financing planned to execute their strategy. Regarding changes in material impacts, risks and opportunities compared to the previous reporting period, only 1 company fully disclosed this requirement.

To check whether companies disclose the information required by the indicator "GOV1 — Role of administrative, management and supervisory bodies" it was necessary to analyze the companies' Corporate Governance Reports. All companies disclose the number of executive and non-executive members, 10 companies disclose the percentage by gender and 5 companies disclose the percentage of independent members of the board of directors. Disclosing the number of men and women on the board of directors is different from disclosing the percentage by gender, just as disclosing the number of independent members of the board of directors is different from disclosing the percentage of independent members of the board of directors. The companies in the sample are not disclosing representation of salaried workers and representation of other workers. Companies are not disclosing "the specialized knowledge in sustainability matters that the bodies, as a whole, directly possess or can increase" (sub-indicator 3) and "the way these specialized skills and knowledge relate to the impacts, material risks and opportunities of the company (sub-indicator 3.2).

The indicator "IRO1 — Description of processes for identifying and evaluating material impacts, risks and opportunities" has an average disclosure level of 43.21%. It was found that 10 companies in the sample describe in their reports the methodologies and assumptions applied in the processes of identifying and evaluating material impacts, risks and opportunities (sub-indicator 1), which means that the majority are already complying with this requirement. Only one company disclosed "how the company took into account the links between its impacts and dependencies and the risks

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and opportunities that may arise from these impacts and dependencies" (sub-indicator 3). Regarding sub-indicator 6, it was necessary to scrutinize the information disclosed in the reports to reach a conclusion. We can see two facts: companies still do not apply the process of identifying, evaluating and managing opportunities in the company's overall risk management process or do not disclose this information in their reports.

Regarding the indicator "MDR-M Metrics — Metrics in relation to material sustainability issues" it was concluded that the majority of companies that disclose metrics in reports do not disclose the information required for each metric, in accordance with ESRS 2 requirements. Only two companies disclosed metrics whose unit of measurement is currency and, in these cases, they used the same currency that served as the basis for presenting their financial statements (sub-indicator 2). For the remaining companies that did not disclose metrics whose unit of measurement is currency, the classification "Not attributable" was assigned for this sub-indicator.

The indicator "GOV2 — Information provided and sustainability issues addressed by the company's administrative, management and supervisory bodies" presents an average disclosure level of 31.25%. It was observed that some companies even disclose who informs and how often they inform administration, management and supervisory bodies, including their relevant committees, about impacts, risks and opportunities, but do not disclose about the implementation of due diligence and the results and effectiveness of adopted policies, actions, metrics and targets (sub-indicator 1 and sub-indicator 2). Most companies are not disclosing how administrative, management and supervisory bodies take impacts, risks and opportunities into account when overseeing the company's strategy, its decisions on major transactions and its management processes. risks (sub-indicator 3). If companies are disclosing the information required in this indicator, but it was not possible to identify why they are not disclosing it clearly and objectively, a score of "0" was assigned.

In short, it is concluded that companies are not disclosing all the information required by ESRS 2, but there are companies, such as EDP – Energias de Portugal, S.A., that already comply with several requirements of this standard. Companies must improve the communication of information about sustainability, complying with all established requirements. Overall, for the 12 companies that make up the sample, the average level of disclosure of information on sustainability is 49.58%. This situation is corroborated by Velte (2024), who emphasizes that ESRS 2 is fundamental to ensuring that sustainability disclosures are consistent, comparable, and comprehensive, serving as a foundation for the application of other specific ESRS. The ESRS 2 provides a clear framework to enhance the transparency and relevance of reports. The authors conclude that ESRS 2 is essential for strengthening stakeholder trust and promoting more sustainable business practices, as also mentioned by Fornasari and Traversi (2024).

5. Conclusions

The present investigation aims to analyze whether companies are already in compliance with the new disclosure requirements before the CSRD comes into force, based on a final sample made up of 12 PSI companies on Euronext Lisbon.

The transversal standards, more precisely, the general disclosures (ESRS 2) presented by EFRAG, were broken down into indicators and sub-indicators, and the aim was to find out whether companies already disclose information on sustainability in accordance with the requirements. This information was analyzed based on the reports where companies publish information on sustainability, referring to the 2022 financial year. It was concluded that 8 companies (approximately 66.67% of the companies in the sample) disclose information on sustainability in the Integrated Report, 2 companies disclose information in the Annual Report and Sustainability Report, and one company discloses information in the Integrated Report and Corporate Governance Report.

Regarding the research question "Are companies already in compliance with the new disclosure requirements before the CSRD comes into force?", it is concluded that companies already comply with several requirements of the CSRD. It is important to note that, due to the lack of objectivity in the disclosure of this information in reports, there is difficulty in identifying between the requirements required by the CSRD and the information disclosed by companies. Therefore,

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companies may be complying with certain requirements that have not been identified. It was found that there are requirements that have a propositional logic, that is, companies will only have to disclose information if they consider this requirement in the company's strategy. Therefore, percentage values must be analyzed taking this fact into account. Overall for the 12 companies that make up the sample, the average level of disclosure of information on sustainability is 49.58%. Just like Ribeiro (2019) who found that the level of disclosure was not the same in all requirements in the first year after the entry into force of Directive 2014/95/EU, we also concluded through the analysis of company reports for 2022, that the CSRD requirements have different levels of disclosure.

The indicator that presents the highest average level of disclosure (70.24%) is the requirement "GOV–5 — Risk management and internal controls for the communication of information on sustainability". The majority of companies analyzed identify the risk assessment approach and include the methodology for defining risk priorities, mention the main risks identified, as well as the respective mitigation strategies (including related controls) (sub-indicator 2 and 3). The indicator "BP-1 - General basis for preparing sustainability statements" presents the lowest average level of disclosure (4.41%). Companies do not disclose that they omit a specific element of information corresponding to intellectual property, know-how or innovation results (sub-indicator 2.4.) and material errors in the previous period that were identified. Most companies do not disclose sub-indicators regarding the Sources of Estimates and uncertainty of results and changes in the preparation and presentation of information on sustainability.

We consider, like Kamiński (2023), that the new Directive will introduce some major changes, which will be costly but are inevitable if the EU is to achieve its environmental, climate and socio-economic goals. This situation will be aggravated by the global reporting initiatives that are being developed in parallel to this Directive, which is already a far-reaching instrument capable of solving most of the problems that are currently encountered in sustainability reporting (Pantazi, 2024). But, it is expected that, after the CSRD comes into force, the amount of disclosure of sustainability information will increase, but also the quality of the information disclosed will increase.

Like all works, this investigation also presents some limitations that can be addressed and analyzed in future investigations. Regarding limitations, we can point out the subjectivity in the analysis of the documents, because the reports were analyzed by only one researcher. Furthermore, the study was based on a single financial year, so it is not possible to conclude on the evolution of companies' disclosure levels. Finally, the way in which the sample was selected left out several companies, with the initial sample being 16 companies and only 12 companies being analyzed, and the number of companies analyzed does not allow the conclusions obtained to cover the reality of national companies. For future research, we suggest that this study be extended to all companies on the Euronext Lisbon Stock Exchange. It could be studied whether companies increased (or reduced) the degree of information disclosure in accordance with the requirements adopted by the transposition of the CSRD into Portuguese legislation. Finally, it could also be analyzed whether the quantity versus quality of disclosure of sustainability information increased after the CSRD came into force.

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