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REPORT

CSRD 2025 Pulse Check Survey

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Content Index

3 **Introduction**

4 **Key Findings**

a) Impacts, Risks, and Opportunities (IROs) deemed most valuable information for decision-making

b) "Reporting" identified as the primary use of CSRD's first wave of reports

c) Auditors and supervisory bodies expected to be the most engaged with CSRD reports

d) Value chain integration and data gaps identified as key challenges in CSRD implementation

e) Regular ESG strategy reviews drive board-level engagement

f) Expected developments in CSRD reporting over the next 2-3 years

14 **Our Recommendations for CSRD Readiness**

16 **Survey Participation: who took part?**

Introduction

The first round of CSRD reports to be released in 2025 starting from February comes with high expectations and interest, not just because of all the work and effort organizations invested in the past two years, but also because significant uncertainties remain—further compounded by the European Commission's recent announcement of an **omnibus simplification package**. The largest group of companies subject to CSRD are preparing to release their first CSRD-aligned reports in 2026 based on 2025 data, and are eager to uncover examples of good practices and learn as much as possible from the first wave of reports. Similarly, companies issuing their first CSRD sustainability statement this year will look at the forming market practice to refine their disclosures in the years to come. Considering that the omnibus package won't be finalized until later in the year due to its legislative process, looking at the market practice is the best way to get ready and - more importantly - get it right.

This report is the first of a series on CSRD sustainability statements insights that Datamaran will release throughout 2025 with the aim of providing leaders with data driven insights and recommendations to inform their strategic decisions.

The CSRD Pulse Check survey, conducted between December 2024 and January 2025, collected insights from respondents in key operational and strategic roles across diverse industries, representing over 65 companies. It provides an overview of how companies have been preparing for the new reporting requirements introduced by the **Corporate Sustainability Reporting Directive (CSRD)** and provides key insights into expectations, challenges, and strategies for CSRD implementation while shedding light on how organizations plan to utilize reporting data, engage stakeholders, and address compliance and governance hurdles.

This report presents the survey's findings, serving as a benchmark for companies to assess their readiness, prioritize efforts, and draw lessons from peers' experiences. It also identifies the most significant challenges organizations face, offering valuable perspectives on the evolving landscape of sustainability reporting.

Key Findings

- According to the survey, **the list of material impacts, risks, and opportunities** will be the **most valuable information** from the next wave of CSRD reports to support internal decision-making.

- The majority of respondents indicated that the primary way they plan to utilize the information disclosed in CSRD's first wave of reports is to inform and guide their reporting approach. The second most important use case for the information is **strategic planning and risk management**. This highlights that organizations are keen to establish models to guide and refine future reporting efforts; however, more work is still needed in terms of embedding this new feed of information in strategic and governance processes.

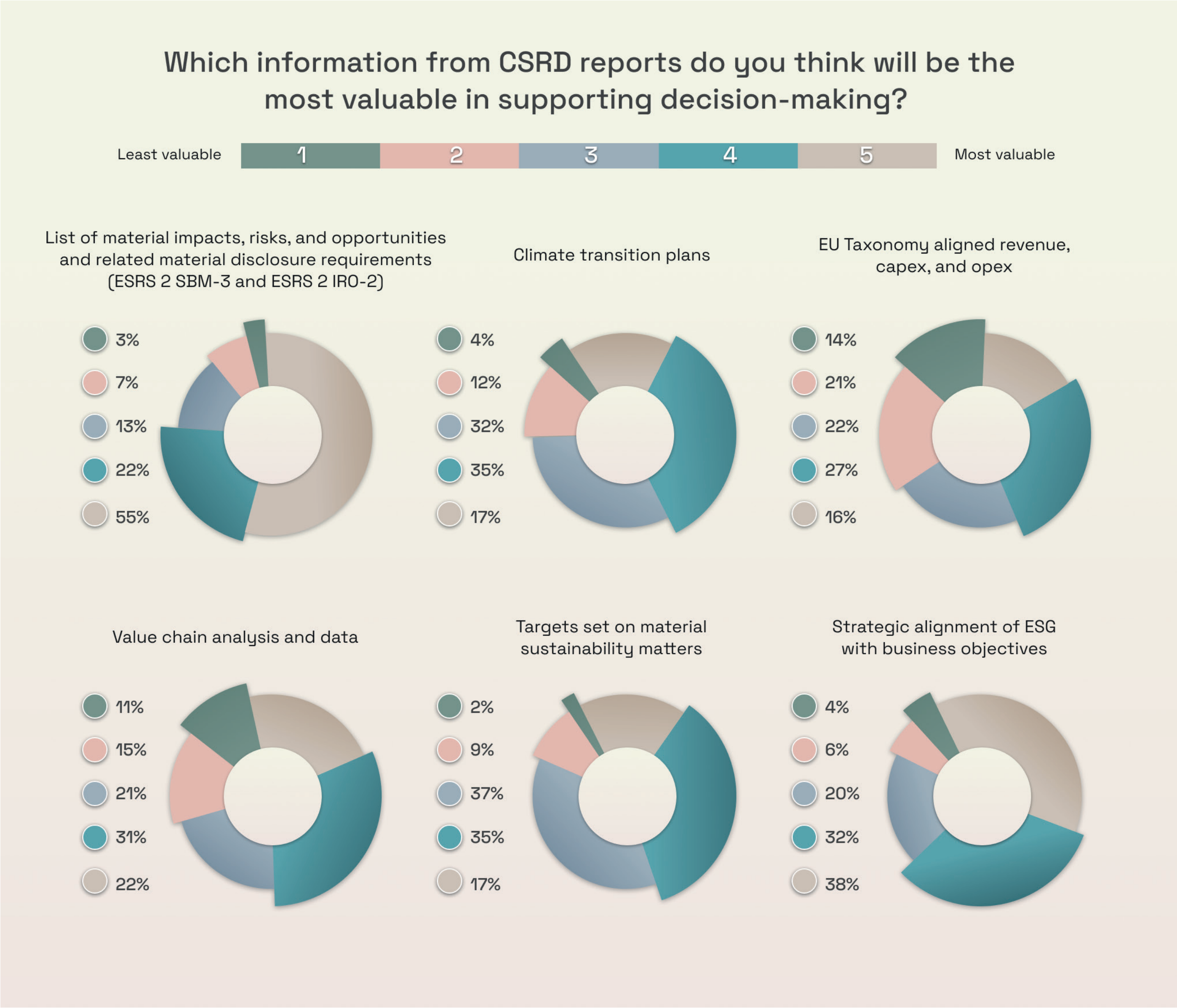
- **Auditors and supervisory bodies** are anticipated to be **the most engaged stakeholders** with CSRD reports, followed closely by regulators and policymakers and then by investors and shareholders.

- **Integrating the entire value chain** into the assessment process has proven to be the **most challenging** aspect for organizations.

- Companies are actively **engaging their boards and senior leadership in ESG oversight**, primarily through **regular strategy reviews at the board level and the establishment of dedicated ESG committees** overseen by executives.

- **Respondents expect greater simplification of reporting requirements** in the coming three years, improved integration of sustainability and financial information, and increased harmonization and interoperability across various standards.

IMPACTS, RISKS, AND OPPORTUNITIES (IROS) DEEMED MOST VALUABLE INFORMATION FOR DECISION-MAKING



Respondents prioritized **identifying material impacts, risks, and opportunities as the most valuable information**, with the majority of respondents **(54%)** assigning it the highest importance **(rank 5)**. This underscores material impacts, risks, and opportunities (IROs) as the cornerstone of credible and decision-useful sustainability reporting under the CSRD. Notably, despite IROs being a new element in materiality assessments, most respondents already see them as essential. Companies that proactively embrace this approach, conduct robust double materiality assessments, and transparently report on their findings will best meet stakeholder expectations, build trust, and thrive in the increasingly sustainability-focused economy. **The message is clear: identifying and assessing IROs isn't just compliance –it's a strategic necessity.**

The second most important area is the **strategic alignment of ESG with business objectives**, with **37.8% ranking it at 5 and 31.8% ranking it at 4** (second most valuable) This underscores the critical importance of integrating ESG into the overall business strategy. CSRD sustainability statements should demonstrate how sustainability is woven into the company's long-term vision and strategy, highlight the business's sustainability practices, and articulate how key sustainability objectives are embedded within the business model.

Value chain analysis and data also ranked highly, with **30.7% ranking it at 4 and 21.5% at 5**, emphasizing its importance in decision-making processes. As we will explore further in this report, gathering relevant data in the value chain has represented a big challenge, making it a focal point for organizations.

Climate transition plans and **EU Taxonomy-aligned revenue, capex, and opex** have more evenly distributed rankings. While some respondents view them as highly valuable **(with 34.8% and 26.9% ranking them at 4, respectively),** they are not consistently rated as critical compared to other categories. This suggests companies are already familiar with low-carbon transition planning and taxonomy reporting, making them less of a new priority.

Targets on material sustainability matters received mixed ratings, with only **16.9%** ranking them at **5 (Highly valuable)**, however, most responses clustered around **3 (36.9%)** and **4 (35.%)**. This suggests that while targets are important, they may not be seen as immediately actionable or impactful for decision-making as the other areas. This lower ranking likely reflects a nuanced understanding of the sustainability reporting landscape, where stakeholders prioritize the foundation upon which targets are built. A target, however ambitious, will lack credibility if not grounded in a thorough understanding of the company's material impacts, risks, and opportunities, as revealed through a robust double materiality assessment. Simply put, stakeholders seek evidence that companies have done their due diligence in identifying what truly matters before evaluating the targets themselves.

This perspective underscores the importance of a company's maturity in its sustainability journey. Nascent reporters may set less ambitious or less specific targets, lacking the systems to track progress effectively. As companies mature, their target-setting processes become more sophisticated, data-driven, and integrated with their long-term strategy, leading to increased credibility. Therefore, the perceived value of targets is directly linked to the demonstrated maturity of the reporting entity. While targets remain essential, their impact is maximized when they are demonstrably achievable, backed by a strong materiality assessment, and reflect a genuine commitment to continuous improvement. Stakeholders are communicating that they value not just the destination that a target represents but the quality of the journey and the authenticity of the commitment to get there.

“REPORTING” IDENTIFIED AS THE PRIMARY USE OF CSRD’S FIRST WAVE OF REPORTS

The majority of respondents **(80.6%)** identified **Reporting as the primary way** they plan to utilize information from CSRD’s first wave of reports. This suggests that organizations view these initial reports as a practical tool for enhancing or aligning their overall reporting processes, emphasizing compliance. Respondents appear eager to see real-world examples of how CSRD requirements are implemented, highlighting a desire to establish models to guide future reporting efforts.

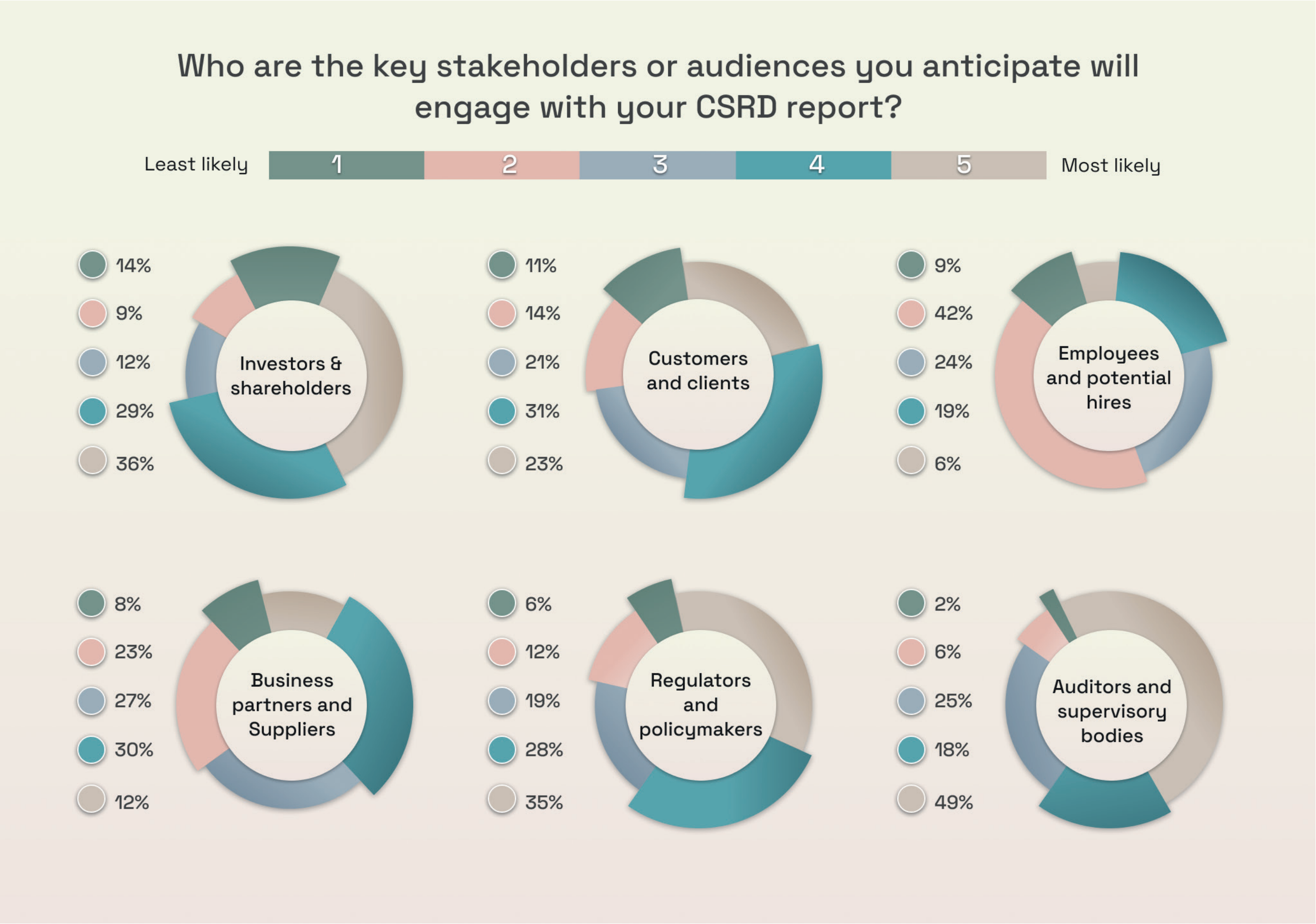
Risk management and **Strategic planning** were each selected by **56.7%** of respondents indicating that organizations value CSRD data for informing long-term strategic decisions and effectively mitigating risks. This signals a positive shift toward using CSRD data beyond compliance. This indicates that companies intend to leverage CSRD reports as a foundation for building strategic business plans, rather than merely focusing on disclosure obligations.

Competitive analysis, chosen by **44.7%** of respondents, demonstrates moderate interest. This reflects an intention among many organizations to use CSRD reporting information to benchmark their performance against peers and competitors.

In contrast, less emphasis is placed on **Supplier/partner evaluation**, with only **23.8%** of respondents selecting this option. This relatively low focus suggests organizations are currently prioritizing internal sustainability performance over value chain IROs. While this could reflect a phased approach to integrating supply chain assessments, it may also represent a missed opportunity. CSRD emphasizes value chain reporting, recognizing that supplier practices significantly impact an organization’s overall sustainability performance.

Companies that proactively use CSRD data for supply chain evaluation will gain a competitive edge, demonstrating a holistic and forward-thinking approach. By extending sustainability efforts beyond their operations, they can strengthen resilience, enhance credibility, and contribute to a more responsible business ecosystem.

AUDITORS AND SUPERVISORY BODIES EXPECTED TO BE THE MOST ENGAGED WITH CSRD REPORTS



Auditors, regulators, and investors are ranked as the primary audiences for CSRD reports. Customer, employee, and supplier engagement is lower comparatively but still relevant, reflecting a growing trend in sustainability influencing broader stakeholder groups. Organizations should prioritize engaging with auditors, regulators, and investors while identifying opportunities for customers, employees, and suppliers to increase relevance.

Auditors and supervisory bodies: Received the highest likelihood of engagement, with **49%** of respondents rating them as **"5" (most likely)**. This reflects their crucial role in ensuring compliance and verifying the accuracy of sustainability reporting. Early engagement with this group is strongly advised to ensure CSRD compliance and meet assurance requirements.

Investors and shareholders: A significant portion **(35%)** of respondents rated them as **"5" (most likely)** to engage with CSRD reports. Combining this with the **29%** who rated them as **"4,"** it's clear that sustainability reporting plays a vital role in supporting investment decisions and shareholder transparency. There is significant anticipation that the upcoming reports will deliver greater harmonization and standardization in data outputs, making them more accessible and useful for investors. Companies should tailor their communication to meet investors' specific information needs, focusing on financial materiality and long-term value creation, making their reports clear and decision-useful.

Regulators and policymakers: Rated "5" by 35% of respondents, are another key audience, highlighting the importance of CSRD reports in meeting regulatory requirements and influencing policy decisions.

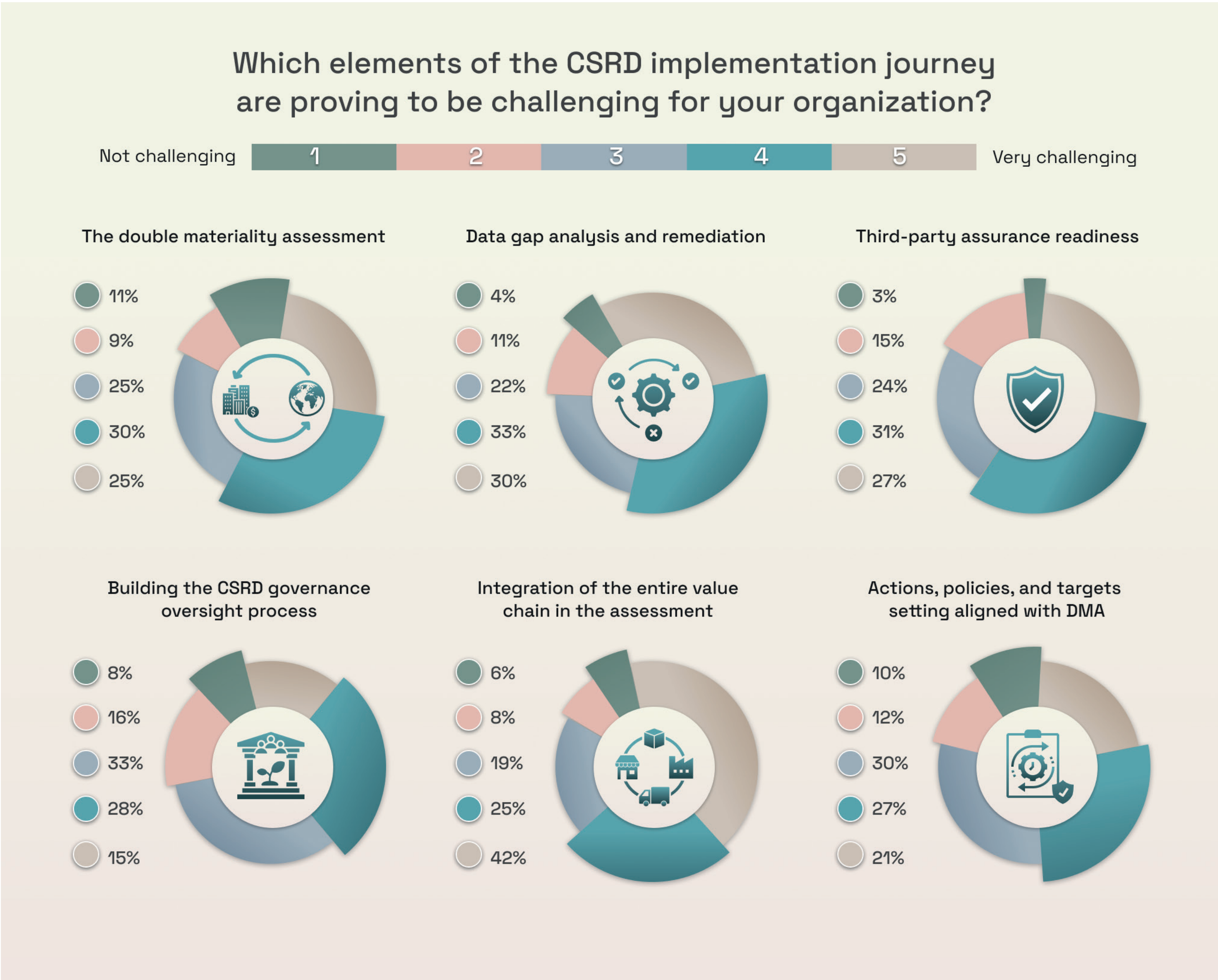
Customers and clients: While **23%** rated this group as **"5,"** another **30.7%** gave them a **"4."** This suggests moderate engagement, indicating that sustainability reporting increasingly influences consumer and client perceptions, though not as strongly as regulatory or auditing audiences.

Employees and potential hires: show varied interest, with the largest share **(42%)** rating them as **"2" (low likelihood)**. Only **6%** rated them as **"5,"** this indicates that while CSRD reports may hold some value for employees and potential hires, they are not widely perceived as a primary audience. However, this may represent an opportunity for companies to enhance employer branding through sustainability commitments.

Business partners and suppliers: The moderate engagement with business partners and suppliers, evidenced by **29.6% rating** their importance as **"4"** and only **12.5%** rating it as **"5,"** highlights a crucial opportunity gap in leveraging CSRD reporting to its full potential. While the data suggests that CSRD reporting is beginning to influence partnerships and supply chains, it's clearly not yet a primary focus for stakeholders. This presents a significant opportunity to utilize the CSRD framework as a powerful tool to address the persistent **value chain data gap.**

By prioritizing the assessment of suppliers and partners through CSRD disclosures, companies can gain a more comprehensive understanding of their overall sustainability impact and risks.
This approach aligns with the intent of the CSRD to foster transparency and accountability throughout the entire value chain. Furthermore, encouraging and incentivizing suppliers to improve their sustainability performance, as reflected in their own reporting, can create a ripple effect of positive change. By fostering greater transparency and collaboration with value chain partners, companies can move beyond a narrow focus on their internal operations and unlock the transformative potential of the CSRD to drive systemic change within their broader business ecosystem.
Closing this data gap will increase transparency and trust among stakeholders, who will be able to more clearly understand the positive or negative impact of a company within the value chain.

VALUE CHAIN INTEGRATION AND DATA GAPS IDENTIFIED AS KEY CHALLENGES IN CSRD IMPLEMENTATION



Integrating the value chain and addressing data gaps are the **most significant obstacles**, likely due to their complexity and the need for cross-functional collaboration. **Preparing for third-party assurance and conducting double materiality assessments** are also major challenges, emphasizing the importance of establishing robust processes and engaging early with auditors to align with their expectations.
To effectively meet CSRD requirements, organizations must prioritize addressing value chain integration and data gap remediation while refining processes for assurance readiness and materiality assessments.

Integrating the entire value chain into the assessment process: is identified as the most challenging element, with **41.7%** of respondents rating it as **“5”** and **25%** rating it as **“4”.**

This reflects the complexity of engaging with suppliers, partners, and internal teams across a broad spectrum of sustainability reporting requirements.

Data gap analysis and remediation: Rated **"5" by 29.6%** of respondents and **"4" by 32.8%**, this element is another major challenge. Organizations are struggling to identify and close data gaps, which is crucial for compliance with CSRD requirements. Integrating technology into the process is essential, considering the extensive data that must be collected and analyzed. It helps address this challenge by enhancing speed, reducing costs, streamlining workflows, and ensuring reliability and objectivity.

Third-party assurance readiness: 27% rated this as **"5" and 30% as "4,"** showing that preparing for third-party assurance is a considerable challenge. This underscores the importance of ensuring the reliability and verifiability of CSRD reports. Engaging auditors early is crucial to gaining insights into potential areas of scrutiny and identifying internal improvements. By doing so, companies can enhance the credibility and accuracy of their reporting, build stakeholder trust, and ensure compliance with regulatory standards.

Double materiality assessment (DMA) process: While **25% rated** this as **"5" and 29.8% as "4,"** DMA remains a key hurdle for many organizations. This is largely due to the required shift from the traditional "single materiality" approach to the more complex "double materiality" framework, which is both new and distinct. Additionally, the perception of DMA as a time-consuming and costly process adds to the difficulty. Leveraging technology is essential to overcoming these challenges. A tech-enabled DMA process ensures a robust, data-driven, dynamic, and auditable approach while supporting continuous monitoring, compliance, and adaptability.

Building the CSRD governance oversight process: Was **rated "5" by 14.9% and "4" by 28%** of respondents, indicating moderate difficulty. Establishing robust governance structures to oversee CSRD implementation is crucial, as this responsibility can no longer rest solely with sustainability teams. Companies must rethink their governance frameworks, determining how responsibilities for data collection, action plan development, target setting, and implementation management should be distributed across the organization.

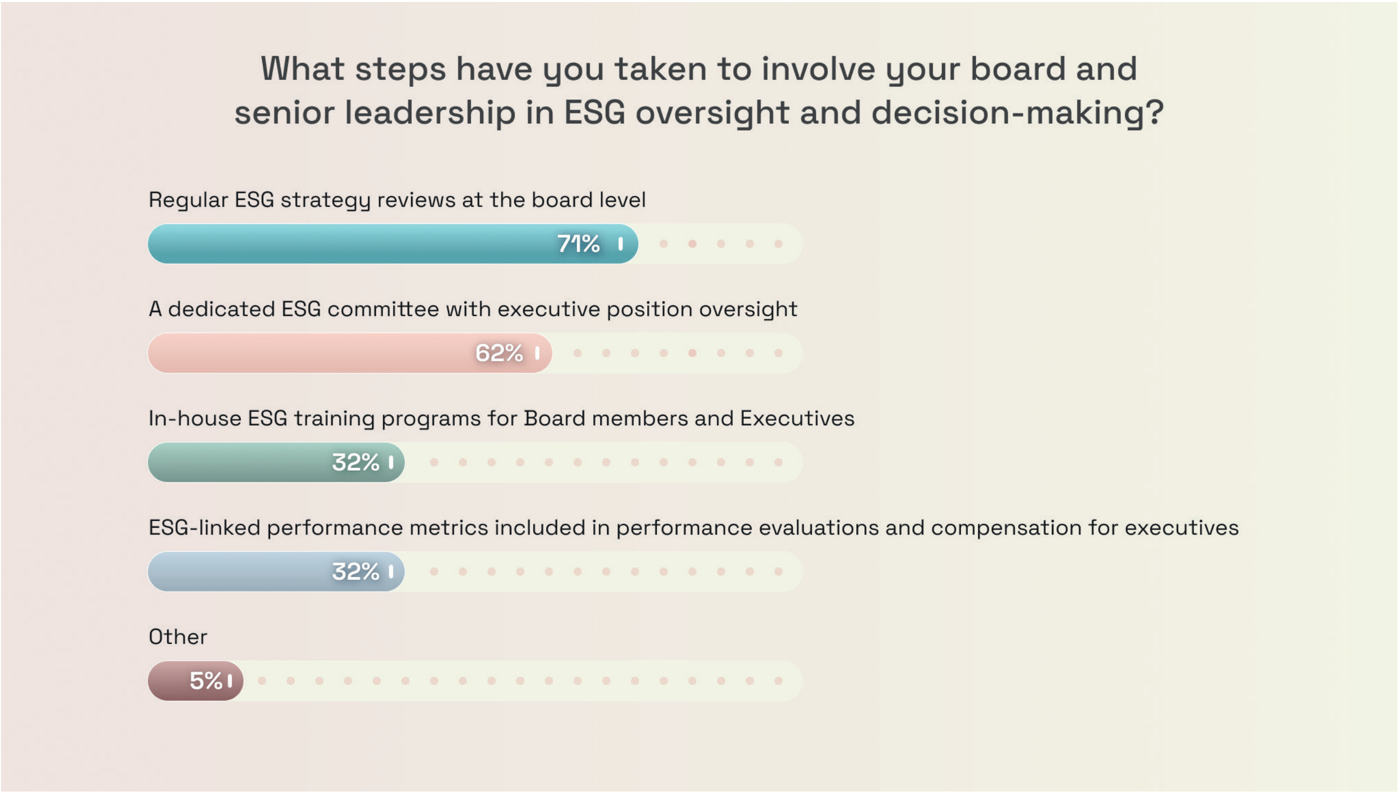
Policies, Actions, and target (PATs) setting aligned with DMA, With **20.9% rating it as "5" and 26.8% as "4,"** this aspect appears to be one of the less challenging elements. While still significant, this moderate emphasis suggests that companies may feel relatively more prepared in this area than others, such as identifying material impacts or evaluating suppliers. However, this perceived preparedness could mask a potential gap between current practices and the stringent requirements of the CSRD. Companies may underestimate the depth of integration required to align their actions, policies, and targets with their Double Materiality Analysis (DMA).

The CSRD demands a level of granularity and transparency that goes beyond simply having policies and targets in place. It requires companies to demonstrate a clear and auditable link between their stated material impacts, risks, and opportunities and the specific actions, policies, and targets designed to address them. This necessitates a robust DMA that ensures consistency, accuracy, and accountability throughout the reporting process.

The key question is, how prepared are companies to detail the implementation of policies, track targets, and verify progress on material issues?

The risk is that companies may be overconfident in their current level of alignment, only to find that their disclosures fall short of the CSRD's expectations, particularly when subjected to external assurance, which will be mandatory. The challenge lies in setting and embedding targets within a comprehensive and strategically aligned framework that demonstrably drives performance improvement and creates tangible value aligned with the company's identified material sustainability matters. It will be in each company's best interest to regularly measure their progress, allowing them to make adjustments before it is too late.

REGULAR ESG STRATEGY REVIEWS DRIVE BOARD-LEVEL ENGAGEMENT



The findings reveal a growing recognition of the importance of board-level ESG oversight. Regular strategy reviews and establishing ESG committees were common practices, reflecting a positive trend toward embedding ESG into governance structures. However, the low adoption of ESG training programs and ESG-linked performance metrics highlights opportunities for improvement in building leadership expertise and accountability in ESG decision-making.

Regular ESG strategy reviews: are the most common; **71.6%** of respondents indicated that they conduct regular ESG strategy reviews at the board level. This highlights that ongoing discussions and evaluations of ESG strategies are the primary method for ensuring board-level engagement.

Establishment of dedicated ESG committees: 62.6% reported having a dedicated ESG committee with executive position oversight. This indicates that a significant number of organizations are institutionalizing ESG governance by forming specialized committees to focus on sustainability and governance matters. Bringing the expertise in-house will be critical to demonstrating ownership of the organization's ESG governance in line with CSRD and integrating ESG strategically into the core business.

Limited focus on **ESG training programs:** Only **32.8%** of respondents have implemented in-house ESG training programs for board members and executives. This suggests a potential gap in ensuring leadership is fully equipped with the knowledge and skills to oversee ESG initiatives effectively. By building in-house ESG knowledge, companies can better integrate sustainability considerations into their broader business strategy and operations. This can help companies create more holistic and integrated sustainability strategies that deliver long-term value for all stakeholders.

ESG-Linked Performance Metrics in Executive Evaluations: 32.87% of organizations include ESG-linked performance metrics in executive evaluations and compensation. While this figure is relatively low, it reflects a growing trend toward tying ESG accountability to executive performance, partly spurred by emerging regulations and heightened stakeholder expectations. **Several jurisdictions are beginning to formalize this link through new or proposed legislation, signaling that this trend is likely to accelerate.**

These insights underscore the need for a balanced approach integrating strong governance structures with capacity-building and accountability mechanisms. To ensure effective CSRD implementation, boards must be equipped with the necessary expertise and information, and ESG factors must be seamlessly integrated into strategic decision-making at the highest levels.

EXPECTED DEVELOPMENTS IN CSRD REPORTING OVER THE NEXT 2-3 YEARS

We asked respondents an optional question to share their thoughts and predictions on CSRD reporting over the next 2-3 years. According to the respondent's perspectives, anticipated developments in CSRD reporting will include,

1. INCREASED STANDARDIZATION AND COMPARABILITY

- Respondents anticipate greater harmonization and interoperability of sustainability reporting framework and practices and improved comparability of CSRD reports over time.

2. EVOLVING REGULATORY STANDARDS AND INPUT TO ENHANCE CLARITY & STRUCTURE

- Respondents expect the development of more refined reporting and assurance standards and additional regulatory guidance to support implementation, including:
  - » Clear guidance on transition plans and sector-specific standards e.g.
  - » Defined requirements for non-EU-based companies.
  - » Convergence of reporting methods across industries.
- The simplification of reporting requirements in light of the European Commission's announcement on the **Omnibus simplification package**.

3. STREAMLINING AND PRAGMATISM

- A shift from foundational work and data gathering toward more pragmatic, streamlined processes enabling more strategic work and improvements that will accelerate sustainability efforts.

4. TECHNOLOGY INTEGRATION AND DATA MATURITY

- Wider availability of AI-powered technology solutions for data collection and analysis.
- More mature data and better involvement from cross-functional teams.

5. GOVERNANCE AND STRATEGIC ALIGNMENT

- Reorganizing sustainability reporting functions within companies with a stronger alignment between sustainability and finance functions.
- Integration of ESG into performance metrics and Enterprise Risk Management (ERM) processes.
- Greater board-level engagement and ESG oversight at the executive level.

6. MARKET AND ORGANIZATIONAL ADJUSTMENTS

- Growth of specialist consultancies addressing complexities for SMEs.
- A greater influx of CSRD-related service

7. CHALLENGES AND POTENTIAL PUSHBACK

- Shifts in ESG tolerance due to geopolitical and economic changes, particularly in the U.S., affect the integration of CSRD, with the potential for minimalist efforts by some U.S.-based companies.
- Resistance from businesses due to complexity and costs potentially leads to reduced requirements.

Our Recommendations for CSRD Readiness

Companies are often overwhelmed by the influx of CSRD-related services and the perceived "complexity" of the regulation. But it is essentially the same principles as before. The difference now is that it's mandatory, and your Chief Financial Officer (CFO) is involved, so speaking the language of business has become essential. The key to navigating this new landscape lies in strategic prioritization and internal empowerment rather than getting lost in the technical details.

HOW TO EMPOWER YOURSELF

1

TAKE CONTROL

Strategically leverage materiality to focus on what truly matters.
This means conducting a robust double materiality assessment to identify your most significant environmental and social impacts, risks, and opportunities. Don't get bogged down in trying to report on everything; prioritize the issues most relevant to your business and your stakeholders. This will help demonstrate that you are in control of your sustainability strategy.

2

PRIORITIZE IMPACT

Don't try to report everything—focus on areas where your company can make a real difference. Align your actions, policies, and targets with your material issues, and concentrate your resources on initiatives that will deliver the greatest positive impact. This will ensure your reporting is compliant and demonstrates a genuine and strategic commitment to sustainability connected to your company's activities.

3

IN-HOUSE EXPERTISE

The more your company manages ESG reporting internally, the better prepared you'll be to:

a) Demonstrate ownership of your ESG governance in line with CSRD and
b) Integrate ESG strategically into your core business. Building internal expertise fosters a deeper understanding of the CSRD's requirements and allows for more effective integration of sustainability considerations into decision-making processes. While external consultants can provide valuable support, true ownership and accountability must reside within the company.

4

BUILD RELATIONSHIPS, NOT PERFECTION:

Shift your focus from perfecting disclosure requirements and calculations to strengthening collaboration with your C-suite. This is the most effective way forward. The CSRD is not just a compliance exercise; it's an opportunity to embed sustainability at the highest levels of the organization. Building a strong relationship with your CFO and other key executives and demonstrating the financial and strategic implications of ESG factors is crucial for securing buy-in and driving meaningful change.

5

LEVERAGE TECHNOLOGY:

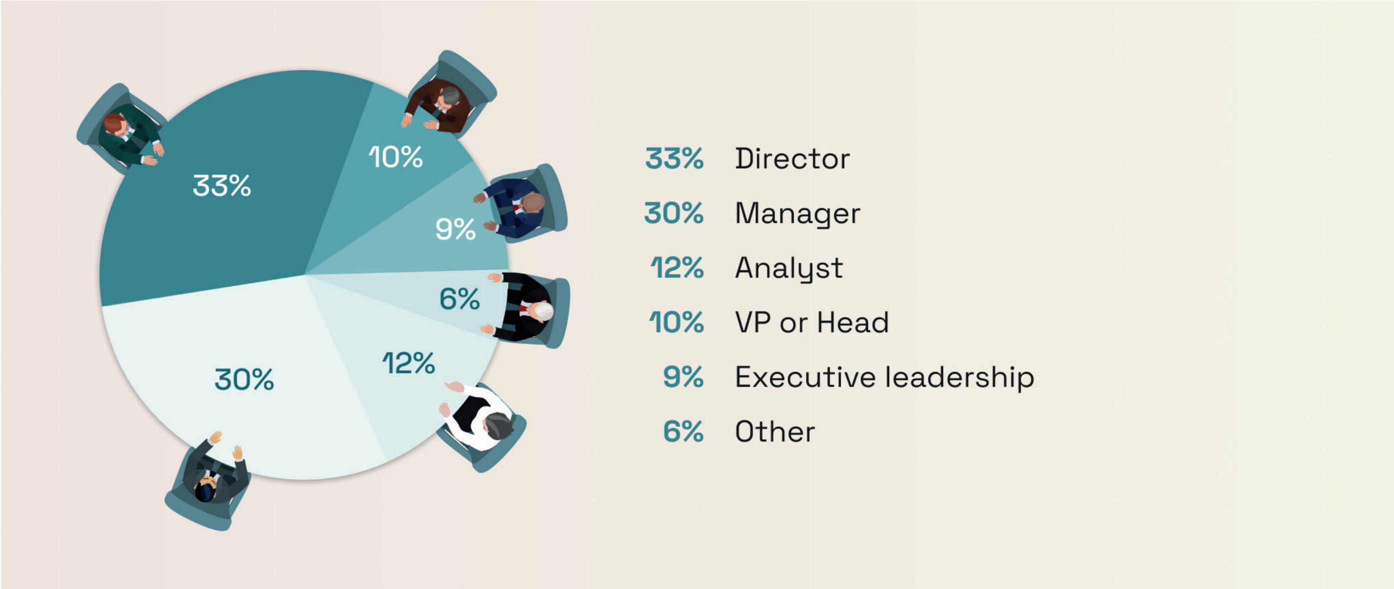
Embrace technology solutions like Datamaran to streamline data collection, ensure accuracy, facilitate double materiality analysis, and regulatory monitoring. Technology can also help you move from mere compliance to data analytics to gain valuable insights and improve performance. Companies utilizing **ESG governance software like Datamaran** have achieved cost savings of up to 95% compared to traditional, non-software-based methods. Beyond time and cost efficiencies, technology enhances analytical capabilities, scales processes across the value chain, enables real-time risk monitoring, improves stakeholder engagement, and ensures greater data accuracy and consistency—making it an invaluable asset in managing DMA effectively.

“CSRD isn't about drowning in complexity — it's about strategic focus and leadership. Companies that take ownership of their ESG strategy, empower internal teams, and align sustainability with business priorities won't just comply — they'll be industry leaders.”

Marjella Lecourt-Alma
CEO and Co-founder, Datamaran

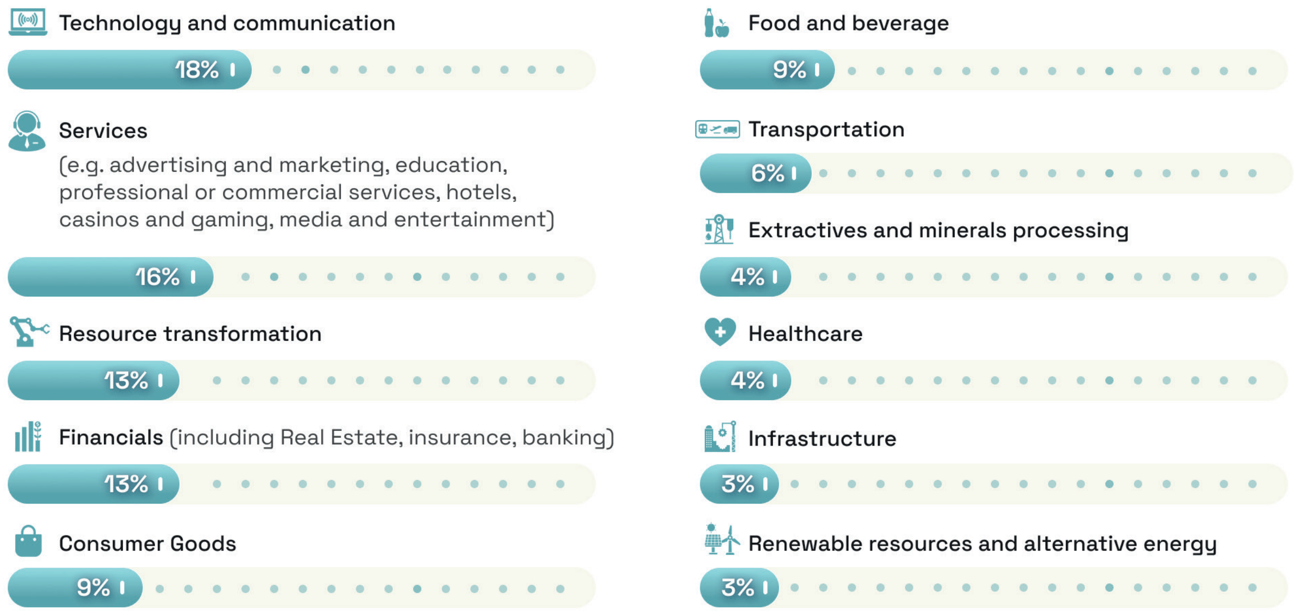
Survey Participation: who took part?

The survey, conducted between December 2024 and January 2025, collected insights from respondents in key operational and strategic roles across diverse industries, representing over 65 companies. Directors (32%) make up the largest group, followed by managers (29%) and analysts (11%), reflecting strong involvement in CSRD-related decision-making and reporting. Executive leadership (8.9%), VPs/Heads (10%), and Other roles (5.9%), including ESG experts and fractional staff, also contributed, ensuring a diverse range of perspectives.

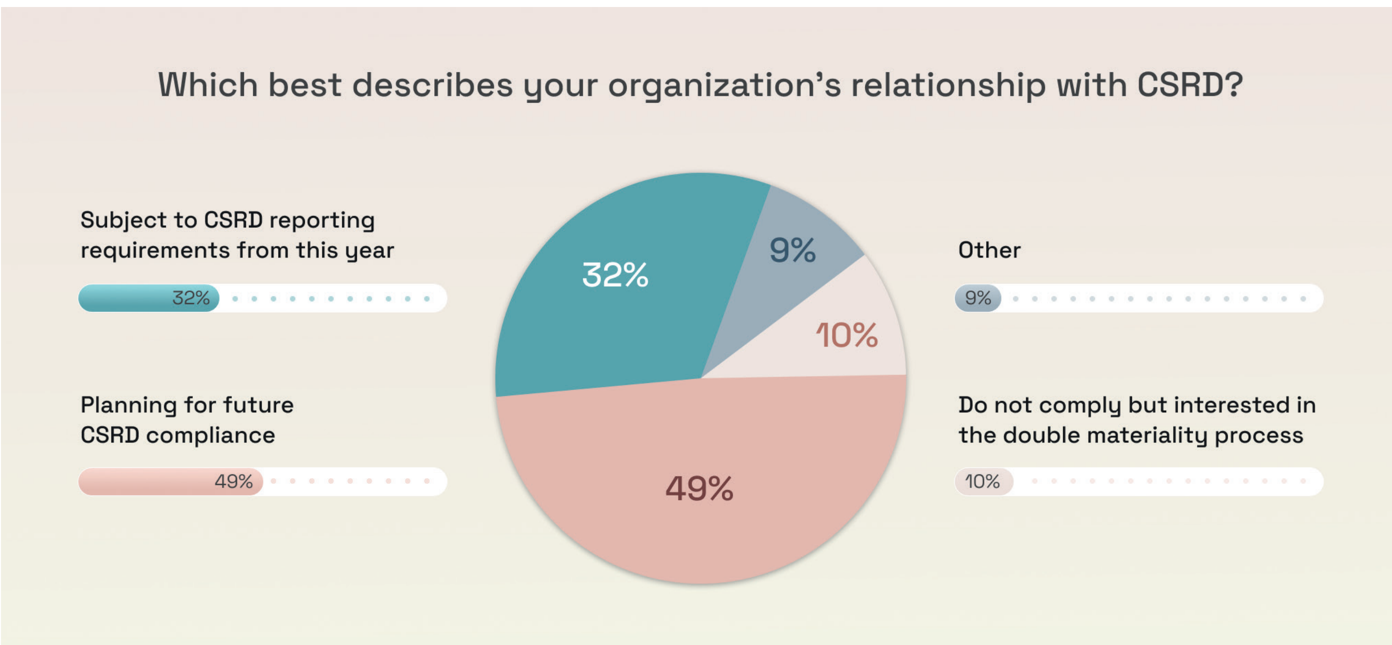


INDUSTRY REPRESENTATION

The survey sample includes a diverse range of industries, offering broad perspectives on CSRD-related challenges and readiness. The largest representation comes from the technology and communication sector (18%), followed by services (16%), and financials and resource transformation (13% each). Consumer goods and food & beverage sectors each account for 9%, while transportation (6%) and extractives, minerals processing, and healthcare (4% each) have moderate representation. Renewable resources, alternative energy, and infrastructure have the lowest representation at 3%. This distribution highlights the participation of industries with complex reporting and sustainability requirements.



THE ORGANIZATION'S RELATIONSHIP WITH CSRD



The majority of respondents (49%) indicated they are planning for future CSRD compliance, highlighting a proactive approach toward upcoming regulatory requirements. Meanwhile, 31% of respondents reported being subject to CSRD reporting requirements starting this year, reflecting their immediate need to align with the framework.

Additionally, 10% of participants, although not currently required to comply, expressed interest in the double materiality process, demonstrating an awareness of its importance in sustainability reporting. The remaining 8.9% fall under the "Other" category, comprising responses that include unique circumstances or specific contexts described by participants, such as offering CSRD-related solutions and wanting to understand better the standards.

These findings underscore varying levels of engagement with CSRD, ranging from active compliance to future preparation and exploratory interest in its key processes.

CONTACT US

Thank you for taking the time to read this report, we hope you found it useful. If you'd like to learn more about how Datamaran can support your journey towards CSRD compliance and sustainability success, please get in touch.

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Datamaran®

ABOUT DATAMARAN

Datamaran empowers business leaders to confidently navigate the ever-changing ESG landscape with evidence-backed and AI-powered governance and workflow tools that enable them to focus on what matters most.

As the market leader in Smart ESG software, the world's most trusted brands, such as Bridgestone, Dell, Kraft Heinz, and PepsiCo, use Datamaran to identify and prioritize issues material to their operations, deepen their teams' ESG knowledge, monitor risks and opportunities in real-time, and own their ESG strategy in-house.

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