

ECMI Annual Conference

**Corporate Sustainability Reporting and the Cost
of Green Compliance**

WU

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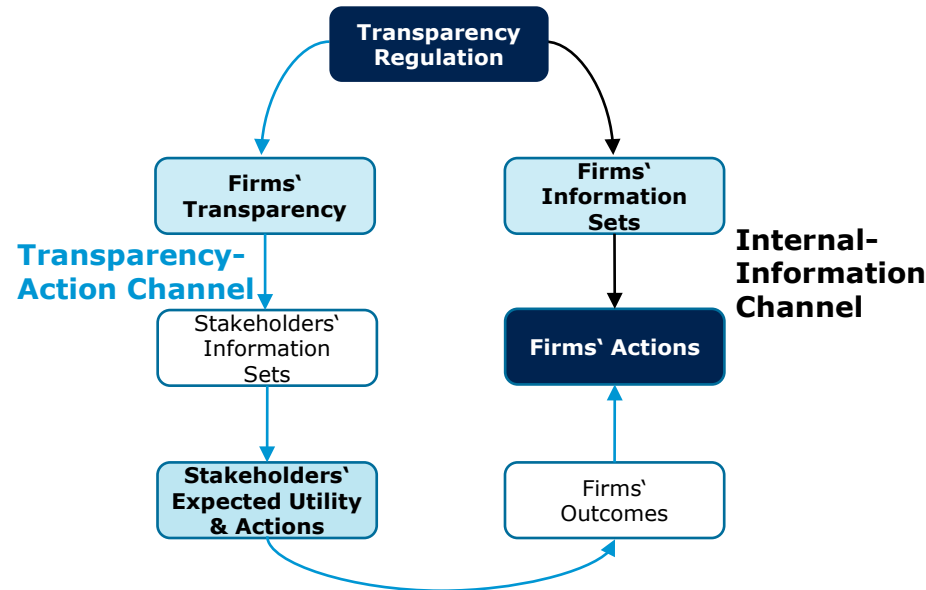
Katrin Hummel



Targeted Transparency

Regulatory
Objective

“Indeed, **disclosure of non-financial information is vital for managing change towards a sustainable global economy** [...]” (Recital 3, Directive 2014/95/EU)



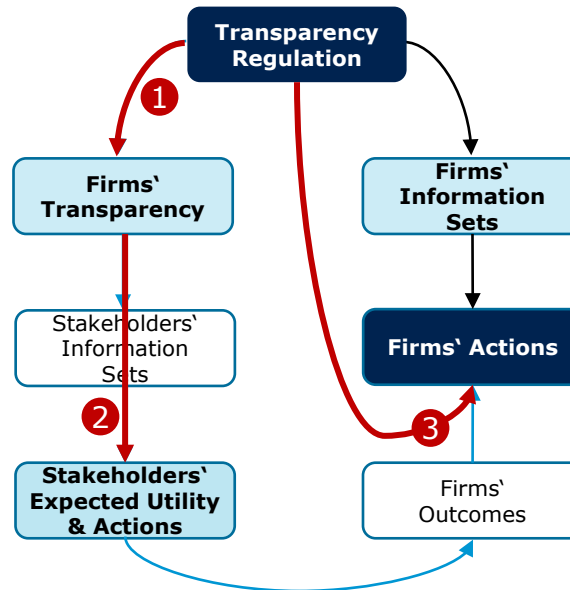
Empirical Evidence

1 DISCLOSURE

Increase in sustainability disclosure in response to transparency regulations, but dependent on firms' reporting incentives.

2 CAPITAL MARKETS

Positive capital-market effects, such as decreases in financing costs and increases in liquidity.



3 REAL EFFECTS

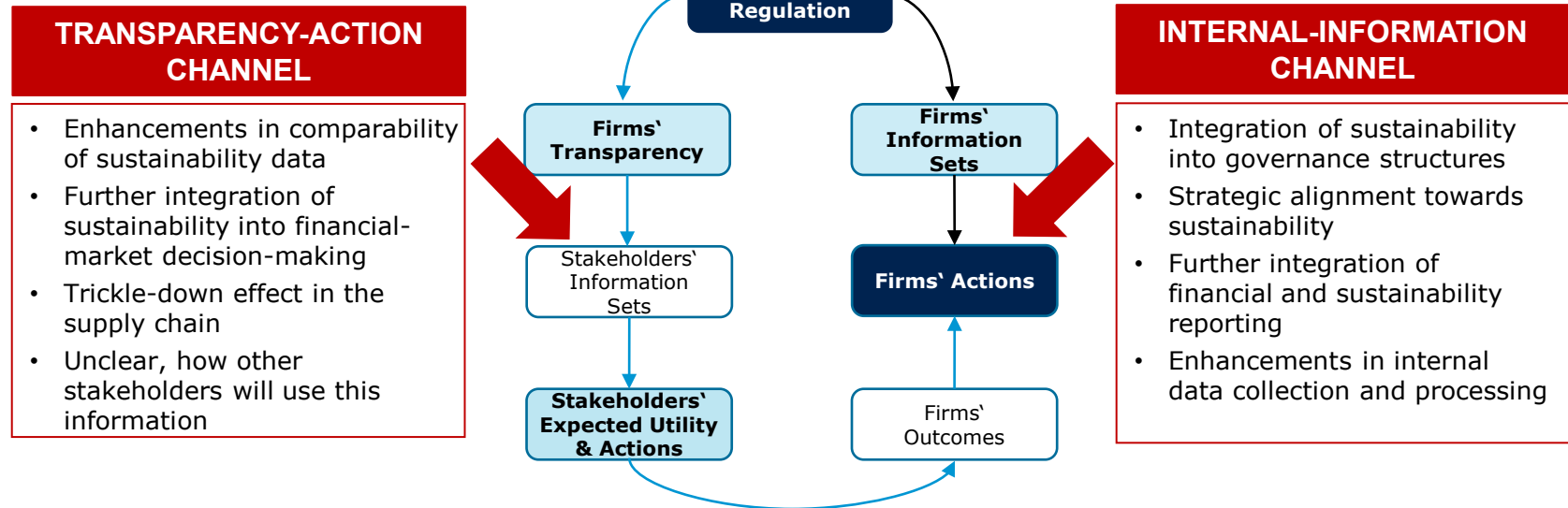
Positive effects on firms' sustainability actions, such as decrease in CO₂ emissions or increase in firms' sustainability activities.

4 FIRM VALUE

Mixed evidence with regard to firm value.

Outlook CSRD

We expect the implementation of the **CSRD reporting requirements** will lead to:



- Accounting research shows that transparency regulations have real effects
- Accounting research provides limited evidence on the underlying causal chains
- Accounting research does not assess the "efficiency" of the regulations

Thank you for your attention



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