



# **Lobbying on Corporate Sustainability Reporting Directive: Content Analysis of Public Comment Letters**

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## **Abstract**

**Purpose:** We examine the process of lobbying on accounting standards-setting in the context of sustainability reporting. We analyze the feedback received by the European Commission to the proposal for the Corporate Sustainability Reporting

Directive to investigate a) at what level is the proposal supported, b) which stakeholder characteristics determine the nature of the feedback, and c) if feedback suggestions have been envisaged in the final version of the directive.

**Design/Methodology:** Our database includes all 143 provided feedback files. Firstly, we content analyze the feedback files according to twenty major points taken from the proposal. We then create an index, and provide descriptive analysis. Finally, we run a regression model to check the relationships between the index and the responders' characteristics.

**Findings:** Results suggest that respondents unequivocally welcome sustainability directive, but serious concerns are expressed regarding its extended scope, mandatory third-party assurance, mandatory provision of sensitive (forwardlooking) information, and, most critically, the timing of its entry in force. In line with the expansion of the 'users' definition, we note a wider inclusion of business associations, NGOs and trade unions. Characteristics of the lobbying groups do not seem to have influential power on the nature of the feedback, whereas the final version of the directive does not significantly differ from the early proposed one. **Originality:**

We shift the focus of lobbying literature from financial reporting towards sustainability reporting. Double-materiality principle embedded in the directive, and a rushed-up process of its standard-setting offers significant variations compared to traditional financial reporting.

**Social implications:** The findings, altogether, and in the light of the given time pressure, question the rational of the public consultation procedure.

JEL classification: M14, M41, M42, M48

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