

Stakeholder Engagement in Sustainability Reporting in State-Owned Enterprises in the EU

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Abstract:

This study examines how reporting frameworks and institutional pressures shape stakeholder engagement practices and Double Materiality Assessment (DMA) in sustainability reporting among European state-owned enterprises (SOEs) during the regulatory transition from NFRD to CSRD.

Design/methodology/approach – Using a panel dataset of 115 European SOEs (340 firm-year observations, 2022–2024), we combine manual content analysis of sustainability reports with financial data from Orbis. Random effects panel regressions and logistic models are estimated to test the association between reporting framework adoption, CSRD transposition, and stakeholder engagement practices.

Findings – GRI and ESRS adoption is positively associated with greater stakeholder engagement intensity and breadth. The disclosure of DMA is primarily driven by ESRS, rather than by the national transposition of the CSRD. Firms operating in CSRD-transposing jurisdictions engage with a narrower but more materiality-focused set of stakeholder categories, indicating a shift from inclusive to selective engagement.

Research limitations/implications – The observation window covers only three years. Lack of transparency regarding the prioritization processes suggests the risk of a predominantly symbolic adoption of double materiality.

Originality/value – This research contributes both to the advancement of the literature on sustainability reporting and accountability in the public sector, and to the political debate on how to optimize the effectiveness of the new directives and of the ESG reporting tools at the European level.

Keywords:

Double Materiality Assessment (DMA), Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards (ESRS), stakeholder engagement, state-owned enterprises (SOEs), sustainability disclosure.