

Hey! What's New? 2025-32

Risk And Opportunity: CSRD's Impact on Company Responses to Climate

Bryan Strickland writes, in an article in *FM Financial Management*, that a global survey — conducted at the onset of Corporate Sustainability Reporting Directive (CSRD) reporting requirements — “found that companies in the crosshairs are twice as likely to view climate change as a top risk, and more than twice as likely to appreciate the strategic opportunities that their attention to climate risk provides.”

He says the survey, [Managing the Risks of Climate Change — Insights Into Business Practices](#), found that 49% of global executives working for companies with a footprint in the EU — where CSRD reporting is underway — said their companies view climate as a top 10 risk. Just 24% of executives outside EU purview said the same.

“While those findings suggest a significant tie between reporting requirements and attitudes towards risk in the area,” writes Strickland, “many in the EU may be benefiting from the added responsibility. One-quarter of respondents who work for companies in the EU showed a high or very high appreciation for strategic opportunities presented by climate considerations. Less than 10% outside the EU said the same.”

Strickland quotes Mark Beasley, CPA, professor and director of the Enterprise Risk Management Initiative at North Carolina State University, as saying “implementing processes to identify and evaluate climate-related risks should help business leaders pinpoint strategic opportunities that may be present in light of emerging risks.”

AICPA & CIMA partnered with Beasley, N.C. State colleague Don Pagach, Ph.D., and professors from Poland and Italy on the global survey, which canvassed 436 executives — including 127 working for companies with operations in the EU — in late 2024. The responses were recorded as large companies prepared to begin meeting CSRD reporting requirements for the first time in 2025 but before the European Commission proposed sweeping changes to pare the impact of CSRD on smaller companies.

“Processes that proactively identify emerging climate challenges provide executives with insights to identify and implement strategic opportunities before the risks are realized,” said Monika Wieczorek-Kosmala, professor at the University of Economics Katowice in Poland.

Fifty-seven per cent of the executives surveyed at companies with EU ties reported increased expectations from investors in the past two years regarding management and disclosure of climate-related risks, compared with 28% outside the EU. A similar gap (67% to 33%) was observed in the expectations of other stakeholders (employees, customers, and suppliers) at companies with operations in the EU versus those outside the EU.

“Investor, employee, and customer expectations for increased oversight of climate risk management continue to grow,” said Anna Losa, professor at the University of Economics Katowice in Poland. “Stakeholders are placing greater emphasis on transparency in climate risk mitigation activities, demanding clear information on how companies assess, manage, and reduce their environmental impact.”

Not surprisingly, executives at companies facing pressure from regulations and stakeholders are ahead of the curve in terms of the development of resources to combat climate risk:

- Nearly half (48%) of survey respondents with EU ties said their company has assigned an individual to lead climate risk management; just 15% without EU ties reported the same.
- Nearly half (49%) of executives with EU ties said their company has formed a management-level climate risk committee; just 14% without EU ties reported the same.

“Management-level risk committees can be an effective tool for developing a holistic and strategic approach to managing climate-related risks and opportunities, ensuring that climate considerations are integrated into the organization’s risk management system and long-term business strategy,” Marco Papa, associate professor at the University of Bari Aldo Moro in Italy, said.

Strickland notes that “the report provides further insights by breaking down some of the data by sector. For example, while executives with EU ties are twice as likely to list climate as a top 10 risk, a higher percentage of non-EU executives (39%) than EU executives (31%) in not-for-profit, education and government listed climate as a top 10 risk. This may be due to differences in the mission focus of some not-for-profits and differences in government policies.”

Read the article at [Risk and opportunity: CSRD’s impact on company responses to climate](#).