ESG REPORTING IN ROMANIA: ASSESSING SUSTAINABILITY PRACTICES AND THEIR FINANCIAL IMPACT ON BET-LISTED COMPANIES

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Abstract: *In recent years, ESG reporting in Romania has gained increasing relevance, driven by both regulatory developments at the European level and growing investor demand for transparency regarding corporate sustainability practices. This paper investigates the development and implementation of Environmental, Social, and Governance (ESG) initiatives among companies listed on the Bucharest Stock Exchange (BET 20 index), based on the analysis of their 2023 sustainability reports. The research aims to evaluate both the level of ESG reporting maturity and the extent to which ESG performance is associated with financial outcomes, particularly EBITDA. To examine the financial implications of ESG performance, a quantitative analysis was conducted using multiple linear regression. The results indicate a statistically significant and positive correlation between the Social (S) score and EBITDA, suggesting that companies with stronger social engagement—such as employee welfare, community involvement, and health and safety practices—may benefit from improved financial performance. Conversely, the Environmental (E) and Governance (G) scores did not exhibit statistically significant relationships with EBITDA, although the Governance component showed a moderate negative trend, potentially reflecting short-term costs associated with compliance and reform initiatives. The findings underscore the potential for ESG, particularly the Social dimension, to act as a driver of financial value in the Romanian market context. However, the heterogeneity of ESG reporting practices suggests the need for greater standardization and regulatory alignment. This study contributes to the limited empirical literature on ESG in Eastern Europe and provides practical implications for policymakers, investors, and corporate leaders seeking to integrate sustainability considerations into financial decision-making.*

Keywords: *ESG; sustainability reporting; company performance; Romania's BET 20*

JEL Classification: *M14; Q56*.

1. **Introduction**

In the context of growing global concerns over climate change, social inequality, and corporate governance failures, the integration of Environmental, Social, and Governance (ESG) principles into corporate strategy and reporting has become a key area of focus for both companies and investors. The need for enhanced corporate accountability and transparency in sustainability-related issues has been widely acknowledged, prompting a regulatory shift in many jurisdictions. At the European level, landmark frameworks such as the Corporate Sustainability Reporting Directive (CSRD) and the Sustainable Finance Disclosure Regulation (SFDR) have been instrumental in institutionalizing ESG practices across the corporate landscape (Dobre et al., 2025).

These regulatory developments have had significant implications for national markets, including Romania, where ESG reporting has evolved from a voluntary initiative into a gradually formalized compliance obligation. Initially, the adoption of ESG reporting in Romania was driven primarily by multinational corporations operating locally, who adhered to global reporting standards and practices. Over time, however, ESG disclosure has become more prevalent among Romanian entities, reflecting a broader alignment with European Union directives and expectations surrounding sustainable business conduct (Udrescu, 2024).

A notable milestone in this transition has been the mandatory ESG reporting requirement introduced for companies listed on the Bucharest Stock Exchange (BVB), particularly those included in the BET index—the benchmark index comprising Romania's most liquid and capitalized companies. Starting in 2023, these companies have been required to prepare and publish sustainability reports in accordance with the provisions of Directive (EU) 2022/2464, which officially introduced the CSRD (Milu & Hațegan, 2021). This directive extends ESG reporting obligations to large undertakings and public-interest entities that, on a consolidated basis, employ an average of more than 500 individuals during the financial year.

While the directive marks a significant step toward harmonized non-financial reporting across the European Union, its implementation remains in a formative phase. The fiscal year 2024 is the first in which ESG reports will be subject to mandatory audit, with the first wave of audited reports expected to be published in 2025. As such, Romania currently finds itself in a transitional period, where regulatory compliance, data quality, and organizational preparedness for ESG reporting are still developing.

Against this background, the present study aims to evaluate the ESG reporting practices of 20 BET-listed companies based on their 2023 sustainability reports and to analyze the content, depth, and consistency of ESG disclosures and to empirically investigate the relationship between ESG performance and financial outcomes, with particular emphasis on EBITDA as a proxy for operational profitability.

Through a mixed-method approach that combines content analysis with regression modelling, this research seeks to provide insights into how the quality of ESG reporting varies across companies and whether higher ESG performance is associated with superior financial results.

By examining ESG integration in a transitional economy such as Romania, this study contributes to the broader academic discourse on sustainability and corporate performance in emerging markets. Furthermore, the findings offer practical implications for corporate decision-makers, investors, and policymakers interested in advancing ESG adoption and aligning sustainable development goals with corporate value creation.

2. Literature review

Over the past several decades, the concept of sustainable development has undergone significant transformation, evolving into a multidimensional framework that reflects the complex and interdependent challenges of contemporary global society. Initially introduced as a response to the growing awareness of environmental degradation, sustainable development has since become a central paradigm in the discourse on economic growth, environmental preservation, and social equity.

As environmental concerns such as climate change, biodiversity loss, and resource depletion became increasingly prominent on the global agenda, sustainable development moved beyond its early conceptual boundaries. What once was considered a primarily ecological initiative has matured into a comprehensive strategic approach, informing both public policy and corporate governance. Since the early 1990s, the sustainable development agenda has progressively expanded to incorporate social considerations, emphasizing the importance of reducing inequalities, promoting inclusive economic opportunities, and safeguarding human rights (Pezzey, 1992).

A landmark in the institutionalization of this concept was the publication of the Brundtland Report (1987), officially titled Our Common Future, which offered a widely accepted definition of sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." The report played a foundational role in integrating sustainability into international policy dialogues, and significantly, it highlighted the interlinkages between environmental protection, economic progress, and social well-being. Crucially, the Brundtland Report also marked a turning point in recognizing the role of non-governmental organizations (NGOs) as essential actors in the sustainability landscape. By acknowledging NGOs as legitimate participants in global environmental governance, the report paved the way for their active involvement in international negotiations, advocacy efforts, and the formulation of both national and transnational sustainability strategies. This development contributed to the democratization of the sustainability discourse, allowing for more diverse stakeholder participation and enhancing the accountability of decision-making processes (Lélé, 1991).

In the subsequent decades, the concept of sustainable development has continued to gain institutional legitimacy, becoming embedded in a wide array of international frameworks, including the United Nations' Millennium Development Goals (MDGs) and, more recently, the Sustainable Development Goals (SDGs) adopted in 2015 (United Nations, 2000 – 2030 Agenda). Among the core areas of action within the sustainable development framework are the eradication of poverty and hunger, the promotion of gender equality, the expansion of access to quality education and healthcare services, the protection of the natural environment, the pursuit of inclusive economic prosperity, and the preservation of global peace. These objectives collectively reflect the multidimensional character of sustainable development, which is structured around three interdependent pillars: the economic, the social, and the environmental. These frameworks have further reinforced the multidimensional nature of sustainability and solidified its status as a guiding principle for equitable and resilient global development.

The initial efforts toward sustainability reporting emerged as a direct response to the growing awareness of the environmental and social impacts generated by economic activities. In the early 1990s, a significant number of organizations began to develop tools and frameworks designed to evaluate and communicate non-financial performance, acknowledging that financial metrics alone were insufficient for assessing a company's overall contribution to sustainable development.

One of the pioneering initiatives in this domain was the establishment of the Global Reporting Initiative (GRI), which in 1997 introduced the first voluntary reporting framework for companies to disclose their environmental, social, and economic impacts in a transparent and standardized manner (Olteanu et al., 2024). The GRI framework was instrumental in laying the foundation for what would later become mainstream sustainability disclosure practices. It also marked a turning point in the evolution of corporate accountability, emphasizing the need for comprehensive performance measurement that extends beyond financial results (Bunget et. al, 2024).

This paradigm shift was strongly driven by increasing demands from a wide range of stakeholders -including investors, regulators, and civil society organizations- who began to call for greater transparency regarding corporate sustainability practices. As a result, Environmental, Social, and Governance (ESG) criteria began to be progressively integrated into corporate reporting systems, influencing both internal decision-making and external perceptions of corporate responsibility (Zairis et al., 2024).

In light of the growing recognition that private sector engagement is essential to achieving global sustainable development goals, regulatory bodies have responded with a proliferation of new legislative frameworks aimed at standardizing and mandating non-financial disclosure. A significant milestone in this regard was the adoption of Directive 2014/95/EU of the European Union, commonly referred to as the Non-Financial Reporting Directive (NFRD). In force since 2017, the directive requires large public-interest entities operating within the EU to publish non-financial reports, detailing how they address issues such as environmental protection, social responsibility, human rights, anti-corruption measures, and board diversity.

Building upon the objectives of sustainable development and recognizing the imperative of aligning national practices with international regulatory standards, the Romanian government has undertaken significant legislative initiatives in recent years, particularly starting from 2018. One of the most notable legal advancements was the adoption of a regulation requiring Romanian companies with an average of over 500 employees, as well as those listed on public markets, to prepare and submit a non-financial statement alongside their annual financial statements (Tiron et al., 2019; Păun et. al, 2020).

The purpose of this non-financial statement is to enhance corporate transparency and to reflect a company's commitments regarding social responsibility, environmental stewardship, business ethics, and corporate governance. Through this reporting obligation, companies are required to disclose relevant information concerning the environmental, social, and economic impacts of their activities, thereby contributing to a more comprehensive assessment of their long-term sustainability. Moreover, non-financial reporting fosters corporate accountability and represents a key step toward building a more responsible and sustainable economy, in alignment with the United Nations Sustainable Development Goals (SDGs) and the standards established by the European Union (Tăchiciu et al.,2020).

These legislative provisions not only strengthen transparency but also serve as an incentive for companies to adapt their business strategies to address contemporary social and environmental challenges. In doing so, they promote sustainable development and encourage active corporate engagement within communities. Nevertheless, this framework remains in a developmental stage. The 2024 fiscal year marks the first in which ESG audits become mandatory in Romania, with the first audited non-financial reports expected to be published in 2025.

The non-financial statement, as regulated under Order of the Minister of Public Finance (OMFP) No. 3456/2018, constitutes an important step toward increasing the accountability of Romanian companies concerning their social, environmental, and economic footprint. As part of their non-financial reporting obligations under Order No. 3456/2018, companies are required to disclose comprehensive information across five core dimensions:

- the company's strategic positioning and the impact of its operations on society and the economy;
- its policies and practices related to environmental protection;
- its approach to employee relations and the protection of human rights;
- its measures to prevent and combat corruption and bribery;
- its commitment to promoting diversity within the organization.

In addition, beginning in 2022, reporting entities are mandated to include a dedicated chapter on the EU Taxonomy within the non-financial statement. This requirement aims to assess the extent to which a company's economic activities align with the technical screening criteria outlined in the European Union's Taxonomy Regulation, thereby enhancing the comparability and transparency of sustainability disclosures in accordance with EU standards (Dănilă et al. 2020; Niculescu et al., 2023).

Although non-financial reporting has become mandatory for certain categories of companies, a substantial number of firms have chosen to adopt this practice voluntarily (Chelba and Ciobotariu, 2025). According to a 2020 study conducted by Ernst & Young, over 43% of Romanian companies that are not legally obligated to submit non-financial statements have chosen to do so voluntarily. This trend reflects a growing recognition that sustainability reporting is not merely a compliance exercise but a tool for competitive differentiation and a means of demonstrating genuine commitment to social welfare and environmental stewardship.

Voluntary adopters of non-financial disclosure engage in such practices not only to enhance their legitimacy in the eyes of consumers and investors but also to gain a more nuanced understanding of their social and environmental performance.

In the long term, the integration of sustainability principles and transparent non-financial reporting exerts transformative effects on corporate behavior. It shapes strategic decision-making, operational development, and stakeholder engagement, reinforcing the organization's role in fostering a resilient, inclusive, and environmentally conscious economic ecosystem.

Ultimately, sustained commitment to transparency and ESG integration enhances organizational resilience and positions companies for sustainable growth in a rapidly evolving economic and regulatory context.

3. Research Methodology

3.1. Data and Methodology

The objective of this study is to examine the extent to which the top 20 publicly listed Romanian companies, collectively referred to as the BET 20, have incorporated ESG (Environmental, Social, and Governance) regulations into their corporate practices, as well as to explore the potential relationship between ESG reporting and financial performance. The analysis is based on data extracted from the companies' 2023 annual sustainability reports, publicly accessible on their official websites, complemented by a detailed review of additional documents, including but not limited to: corporate strategies, sustainability strategies, annual financial results. The non-financial information examined in this research emphasizes three principal dimensions of sustainability:

Environmental factors: this dimension involves the assessment of the current impact of corporate operations on the natural environment. Thus, we have considered the usage of renewable energy since this indicator directly reflects a company's commitment to reducing its carbon footprint and environmental impact. Some industries within BET 20 (e.g., utilities, manufacturing, oil & gas, and heavy industry) consume large amounts of energy. For these companies, transitioning to renewable energy can lead to significant cost savings, risk reduction, and enhanced ESG ratings (Issa and Hanaysha, 2023; Silaban and Sitorus, 2025);

Social Factors: this dimension addresses the companies' initiatives aimed at fostering social responsibility, including the promotion of gender equality, enhancement of working conditions, facilitation of social dialogue, protection of trade union rights, and the assurance of health and safety standards within the workplace. The indicator considered for this dimension was the percentage of women in company board since having women represented on boards reflects a company's commitment to diversity, equity, and inclusion, which are core social values. Gender-diverse boards bring varied viewpoints and experiences, which contribute to more balanced, innovative, and comprehensive decision-making and women on boards are often associated with stronger oversight, better ethical standards, and a focus on long-term sustainability goals (Wu et al., 2024; Zhu and Chen, 2025; Omenihu et al. 2025);

Sustainable Development Aspects: examination of the entity's impact on sustainable development commitments using the GEM ASSAY™ score, a specialized research instrument that enables the level of transparency in non-financial reporting practices (Hofstetter and Diegelmann, 2023).

Due to the emerging nature of this research topic within the Romanian context, existing studies examining the impact of sustainable policy implementation on firm performance remain limited (Milu and Hațegan 2021; Vasile 2022; Vasiu, 2023; Fometescu and Hațegan, 2024), and most of them focus on specific sectors of the industry. The results of these studies reveal a positive relationship between high ESG scores and performance (Siminica et al., 2019; Rajesh 2020; Nguyen et al. 2021) and also highlight the fact that the implementation of ESG initiatives are only producing effects on the long term (Arvidsson and Dumay; Domanović, 2022; Piao 2024)

Based on the above, the following hypotheses are proposed:

Companies listed on the Bucharest Stock Exchange (BET 20) that report higher levels of ESG (Environmental, Social, and Governance) performance in their 2023 sustainability reports exhibit significantly better financial performance compared to those with lower ESG scores;

The relationship between company performance and ESG initiatives is only relevant on the long term.

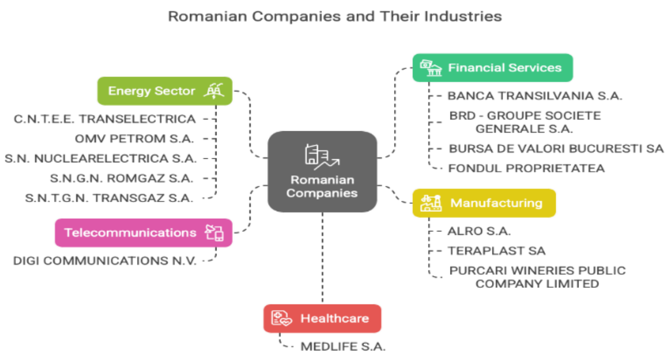

Figure 1: Top 20 publicly listed Romanian companies (BET20)
Source: Author's interpretation based on the information available on the Bucharest Stock Exchange

3.2. Methodology

Hypothesis testing and validation was performed using quantitative methods of gathering information collecting data from the BET 20 company annual sustainability reports for 2023, considered appropriate in the context of the research's objective. For each dimension we have identified one relevant indicator (Environment - usage of renewable energy; Social - the percentage of women in company board; Governance – the companies GEM ASSAY™ score) considering the significant differences among the companies included in the study in terms of size, industry, and target markets, variations that may influence the observed outcomes and should be carefully accounted for in the analysis. The three indicators mentioned above were considered as independent variables.

The values for "Usage of renewable energy", where percentages ranged from 0% to 95% were modified due to the high data dispersion as follows: 1 from 0%-10%, 2 for 11-20%, 3 for 21-50%, 4 for 51-80%, 5 for 81% or more. The study also aims to provide an initial assessment of the impact of ESG adoption on financial performance, using EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) as the dependent variable. EBITDA is widely recognized in both academic and professional literature as a key indicator of a company's operating performance, particularly because it provides a clearer picture of profitability by isolating core business operations from the effects of financing and accounting decisions (Damodaran, 2012; Bouwens et al., 2019).

The regression analysis was performed in SPSS 29.0 while for EBITDA we have used Orbis database.

3.3. Results and discussions

In terms of financial performance, we have considered EBITDA for the fiscal year 2023 and out of 20 listed companies we only found available data for 17 (the ones missing were C.N.T.E.E. TRANSELECTRICA, CONPET SA and FONDUL PROPRIETATEA), while one of them (ALRO SA) had negative results. The final sample is listed in the table below:

Table 1: Sample table

Company	EBITDA (Ron)	E	S	G
ALRO S.A.	-169.869,00	4	22,4	18,18
AQUILA PART PROD COM	176.540,00	3	29,4	20
BANCA TRANSILVANIA S.A.	3.501.700,00	5	17	28,57
BRD - GROUPE SOCIETE GENERALE S.A.	4.705.400,00	5	14,4	45
BURSA DE VALORI BUCURESTI SA	31.644,00	3	23,8	0
DIGI COMMUNICATIONS N.V.	592.000.000,00	1	39	0
MEDLIFE S.A.	291.596,00	1	26,8	14,28
OMV PETROM S.A.	10.862.900,00	1	28,9	35
ONE UNITED PROPERTIES	568.876,00	3	18,4	50
PURCARI WINERIES PUBLIC COMPANY LIMITED	100.634.666,00	2	34	15
S.N. NUCLEARELECTRICA S.A.	3.171.534,00	1	23	33,3
S.N.G.N. ROMGAZ S.A.	5.552.132,00	1	29	14,29
S.N.T.G.N. TRANSGAZ S.A.	729.804,00	1	27,6	40
SOCIETATEA ENERGETICA ELECTRICA SA	1.792.052,00	1	29,90	14
SPHERA FRANCHISE GROUP	211.312,00	1	18,7	0
TERAPLAST SA	52.761,00	4	23,4	20
TTS (TRANSPORT TRADE SERVICES)	446.091,00	1	21,8	40

Source: Author's interpretation based on the information available on the Bucharest Stock Exchange, financial reports and GEM ASSAY™ score

Following the exclusion of companies with unavailable data, the final sample comprised 17 listed entities from the BET 20 index. After processing the data using the Simple Linear Regression and Pearson correlation, the following results were obtained:

Table 2: Pearson correlation between EBITDA and the ESG dimensions

ESG Indicator	Correlation	p-value
Environmental	-0,217	0,402
Social	+0,622	0,008
Governance	-0,386	0,126

Source: Author's interpretation

The Social (S) score demonstrates a positive and statistically significant correlation with EBITDA, indicating that companies with higher social performance tend to exhibit better financial performance, as measured by EBITDA. This relationship suggests that social responsibility—manifested through factors such as employee well-being, community engagement, diversity and inclusion, and human rights practices—may contribute meaningfully to a firm's operational efficiency and financial outcomes.

In contrast, the Environmental (E) and Governance (G) components did not exhibit statistically significant correlations with EBITDA in this analysis. While the Governance score showed a tendency toward a moderate negative relationship with financial performance, the lack of statistical significance implies that these findings should be interpreted with caution. It is possible that the influence of E and G components on performance may be more nuanced or dependent on industry-specific factors, company size, or other mediating variables that were not accounted for in this model. Moreover, considering that most initiatives aimed at improving environmental performance and corporate governance typically involve substantial financial investments, it is reasonable to expect a negative short-term impact on profitability. These actions often entail upfront costs—such as upgrading infrastructure, implementing compliance systems, or enhancing transparency—which may outweigh the immediate financial benefits, despite their potential to generate long-term value. Based on the empirical results of the study, *the first hypothesis was partially validated*, as a statistically significant correlation was identified between financial performance—measured through EBITDA—and the social dimension of ESG indicators. This suggests that, among the three ESG pillars, social factors currently exhibit the strongest link to operational profitability within the sample analyzed. With respect to the second hypothesis, the findings do not indicate a strong short-**term relationship between overall ESG reporting and financial performance. This outcome underscores the importance of adopting** a longitudinal perspective when assessing the financial implications of ESG integration. Given that ESG-related initiatives often require substantial upfront investment—particularly in areas such as environmental infrastructure, employee welfare programs, and governance reform—it is reasonable to anticipate a potential short-term drag on profitability. Therefore, continued monitoring of the selected companies over multiple reporting periods is necessary to capture the medium- to long-term effects of ESG adoption on corporate performance.

Table 3: OLS Regression Results

Metric	Value
Multiple R	0.652
R-square	0.425
Adjusted R-squared	0.281
F-statistic	9.445
p-value (model)	0.077

Source: Author's interpretation

The regression analysis revealed a moderate to strong correlation between the independent variables and the dependent variable, as indicated by a Multiple R of 0.652. The model explains approximately 42.5% of the variance in the dependent variable (R-squared = 0.425), suggesting a fair degree of explanatory power. However, when adjusted for the number of predictors in the model, the explained variance decreases to 28.1% (Adjusted R-squared = 0.281), which may reflect limitations related to sample size or variable selection. The F-statistic of 9.445 indicates a reasonably strong model fit, yet the corresponding p-value of 0.077 suggests that the model is not statistically significant at the conventional 5% level. Nonetheless, the result is marginally significant at the 10% threshold, indicating a potential relationship worth further exploration. These findings should be interpreted with caution and may benefit from further validation using a larger sample and more refined ESG metrics.

The results of this study suggest a moderate relationship between ESG factors and financial performance, as measured by EBITDA, among companies listed on the Bucharest Stock Exchange (BET 20). Among the ESG components, the Social dimension demonstrated a statistically significant and positive influence on financial performance, supporting the hypothesis that socially responsible practices may contribute to improved operational outcomes. However, the overall model did not reach statistical significance at the 5% level (p = 0.077), highlighting the need for cautious interpretation. The findings, while promising, underline the complexity of quantifying ESG's impact on performance and point to the need for more robust evidence to draw generalizable conclusions. Most of the results cand be explained by the fact that ESG investments often yield long-term benefits so future research could examine the delayed impact of ESG performance on financial outcomes, using lagged variables or longitudinal data. Also, as future research directions we could include more variables for each dimension and incorporate other performance measures such as Return on Assets (ROA), Return on Equity (ROE), or market-based indicators (e.g., stock price performance) that could offer a more comprehensive view of financial impact.

5. In conclusion

Over the past several decades, the concept of sustainable development has evolved from a primarily ecological concern into a comprehensive and multidimensional framework that integrates economic, environmental, and social dimensions and is no longer viewed solely as a normative goal but has become a foundational principle shaping policy agendas and corporate strategies worldwide.

Within this evolving context, the institutionalization of mandatory non-financial reporting has played a pivotal role in operationalizing sustainability at the corporate level. Legislative frameworks such as the EU Non-Financial Reporting Directive and the Corporate Sustainability Reporting Directive (CSRD) have established clear disclosure requirements, pushing companies beyond voluntary commitments toward standardized, transparent, and accountable reporting practices. Romania has progressively aligned with these European mandates, introducing key regulations -such as OMFP No. 3456/2018- that require large undertakings and listed entities to report on their environmental, social, and governance (ESG) performance.

This study explored the extent and implications of ESG reporting among Romania's top publicly listed companies (BET 20), shedding light on both regulatory compliance and voluntary corporate behavior in a transitioning economy. The analysis revealed a partial validation of the hypothesis that higher ESG performance is associated with improved financial results, with the Social (S) component showing a statistically significant and positive correlation with EBITDA. This finding highlights the tangible financial benefits that may arise from enhanced social responsibility, particularly in areas such as workforce diversity, employee well-being, and stakeholder engagement.

Conversely, the Environmental (E) and Governance (G) dimensions did not demonstrate statistically significant relationships with financial performance, suggesting that their influence may be more latent or dependent on sector-specific variables. Given that ESG initiatives, especially those tied to environmental and governance reforms, often entail considerable initial costs, their financial benefits may only materialize over the medium to long term. As such, a short-term analysis may underestimate the true value of ESG integration.

While the regression model demonstrated a moderate degree of explanatory power ($R^2 = 0.425$), its statistical significance was marginal, with a model p-value of 0.077—slightly above the conventional 5% threshold. This suggests that while the independent ESG variables collectively explain a fair portion of the variance in financial performance (as measured by EBITDA), the results should be interpreted with caution The marginal significance implies that the observed relationships may not be robust across different samples or under alternative specifications, and that the model might be sensitive to omitted variables or sample size limitations.

These results more strongly support the second hypothesis, emphasizing that the financial impact of ESG initiatives—particularly those related to environmental and governance practices—may materialize primarily over a longer time horizon. Investments in ESG often entail upfront costs that may temporarily reduce profitability, while the associated benefits—such as improved risk management, enhanced reputation, regulatory compliance, or access to capital—typically accrue over time. Therefore, the weak short-term correlation observed in this study aligns with the notion that ESG's full financial implications are better captured through a longitudinal approach. Future research employing multi-year panel data or lagged ESG variables could offer deeper insights into these delayed effects.

Overall, the study confirms that ESG reporting in Romania is not solely a compliance mechanism but increasingly a strategic tool leveraged voluntarily by companies to differentiate themselves and align with international sustainability standards. The results offer valuable insights for corporate leaders, investors, and policymakers aiming to foster responsible business conduct and sustainable economic development in emerging markets.

The Romanian corporate landscape reflects a steady advancement in sustainability awareness and reporting maturity. Although the practice of ESG reporting remains in a transitional phase, with full audit requirements taking effect starting from fiscal year 2024, the increasing number of companies engaging voluntarily in non-financial disclosure signals a shift in mindset.

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