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Paola Paoloni *Editor*

Gender Issues in the Sustainable Development Era

Emerging Evidence and Future Agenda

Springer

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Editor

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Preface

Nowadays, sustainability is one of the main issues for organisations' revamp and growth. Sustainability can be summarised as the set of actions based on the mutual respect of economic, environmental, and social interests. No action should be taken unless it simultaneously respects the interests of these three spheres.

The 17 Sustainable Development Goals (SDGs) developed by the United Nations for the 2030 Agenda are moving in this direction. Among them, reducing diversity and strengthening women's empowerment are the main targets of Goal 5 "Gender Equality".

The long journey towards sustainability began in 1987 with Brundtland's "Our Common Future" report to the World Commission on Environment and Development. This report informed about the need to combine economic development and environmental protection and defined for the first time the need to undertake sustainable development. The impetus for change pushed the world for the first time to question how to put in place sustainable policies to safeguard the planet and communities. A next step was needed, however, in figuring out how to make this revolutionary thrust, for companies to measure and manage the impacts and outcomes of their behaviour across a range of factors. This demand led to the formulation of a "triple bottom line" reflecting economic, social, and environmental performance formulated by Elkington, 1998.

Triggered by the intertwining of gender issues and sustainable development, this work is developed to provide a clear representation of the phenomenon and provide the reader with the main emerging strands of study according to the pillars of the sustainable development goals (SDGs) discussed above. The main strands investigated in this editorial work are:

- Diversity management for sustainable governance of organisations
- Innovation and new technologies for sustainable development of enterprises led by women
- Agri-food, fashion, luxury, and made in Italy in sustainable female firms

The book is structured into three sections according to the main strands investigated by scholars.

Part I: Diversity Management for Sustainable Governance of Organisations

The section aims to strive for the debate about diversity management to reduce the gender gap in both the private and public sectors: firstly, highlighting how the diversity management strategy can contribute to empowering women's competencies, enhance the union of male and women capabilities and attitudes in the organisation, and support the careers of women and their wellness, and secondly, observing how a gender equity strategy impacts on the organisations' dynamics and performance.

The issues addressed by the contributions included in this section are part of a close and critical strand of research. Since the 1990s, the social and organisational sciences have been interested in valuing diversity and recognising the organisational benefits derived from its evaluation. This approach led to the birth of "diversity management", a managerial approach pursuing an "active and conscious development of a forward-looking, value-oriented strategic and communicative managerial process of accepting differences and using some differences and similarities as a potential of the organisation, a process that creates added value to the enterprise". Diversity involves all the differences encountered in business today (cultural, ethnic, religious, age, gender, psychophysical abilities, or sexual orientation).

According to sustainable development goals introduced in the previous section, at least five SDGs (SDG 4, SDG 5, SDG 8, SDG 10, SDG 16) show how Europe has internalised the need to manage diversity. Among them, SDG 5 considers a specific category of discrimination: gender inequality. It aims to "achieve gender equality and empower all women and girls", recognising gender equality in political, economic, and public life as the necessary basis for a peaceful, prosperous, and sustainable world. This mission needs the intervention and collaboration of the public and private sectors.

On the one hand, businesses are called upon to promote the recognition of equal rights, ensure equal employment opportunities for women compared to their male counterparts, and invest in empowerment programmes for women and girls.

On the other hand, public administration has to act to improve women's welfare ensuring services that protect women's responsibility and dignity (like socio-educational services for children, the introduction of fully paid, meaningful, and non-symbolic paternity leave, or a system of ex post forecasting and budgeting that testifies to the effectiveness of policies supporting women's employment implemented by the organisation).

In this section, contributions related to the phenomenon of diversity management and its different shades within organisations are collected. Particularly, manuscripts are focalised on:

- Diversity management strategies to promote gender equity
- The role of corporate governance in diversity management
- Diversity management and non-financial information disclosure
- The tools of diversity management in public administration
- Corporate governance in women-owned businesses

- The impact of diversity management on corporate productivity
- Gender equity as a strategy for sustainable development

Part II: Innovation and New Technologies for Sustainable Development of Enterprises Led by Women

The section aims to investigate how innovation and new technologies contribute to sustainable development of enterprises led by women. Female entrepreneurship is one of the main pillars to constrain the gender gap in reaching a sustainable entrepreneurial environment.

Digitalisation and new technologies involve all the solutions that arose as a result of the disruptive technologies diffusion. The wide spread of the new technologies among all different forms of business (from SMEs to large companies) supports the knowledge exchange process and, in turn, the improvement of knowledge management systems.

Recently, several technologies have also been introduced in the firm financing function, creating the phenomenon so-called financial revolution. These new technologies aim to approach the financing function with a new mindset. The result of this innovation are tools such as equity or lending crowdfunding, mini-bonds, and ICOs that enable companies to attract financial resources overcoming traditional credit channels.

Benefits of information and communication technologies (ICTs) in firm financing can be reached, also, referring to all instruments that allow raising money in a new entrepreneurial outlook, for instance, ethic financing model that involves channelling financial resources towards start-ups and investment projects characterised by the social, cultural, and environmental value added, by encouraging the development of responsible, sustainable, and durable projects.

Therefore, sustainable innovation, in terms of new technologies and new financing ways, becomes an opportunity for female entrepreneurs by supporting them in the start-up and development processes.

In this section, contributions related to innovative finance tools, digitalisation, and new technologies in the female entrepreneurship domain are summarised. Particularly, manuscripts are focalised on:

- The role of sustainable innovation in the management of the financial function within female-owned/run organisations
- Innovative financial tools for sustainable female entrepreneurship development
- New technologies, as ICT, blockchain, or digital platforms, for sustainable female entrepreneurship development
- Equity or debt side innovative instruments for female start-ups
- Ethical finance instruments for female-owned/run organisations
- Diversity and equality issues in the access to finance for female-owned/run organisations
- Intangibles as drivers to develop sustainable female enterprises

- Mitigating risks by implementing various sourcing, contracting, and financing strategies
- New laws and regulation in the digitalisation or financial domain actuated by public authority, as government, to reach sustainable development

Part III: Agri-food, Fashion, Luxury, and Made in Italy in Sustainable Female Firms

The section aims to promote the debate on knowledge factors regarding sustainable female firms with particular reference to SMEs and made in Italy, a typical phenomenon of the Italian economy.

Firms often assume sustainability as a flag they can fly and consider a few sporadic actions, a few donations, to be enough to fulfil their duty to the planet and the community. Business can be said to be sustainable when it is able to find a solution to a problem, using resources that have zero or positive impact on the life of the planet and people.

SMEs play a key role in the challenge towards sustainability. Indeed, they make up more than 99% of firms in the EU and provide two-thirds of jobs in the private sector, so they are a pillar of the European economy. Without their full involvement, the transition would simply not take place. On the other hand, for SMEs this challenge represents an incredible opportunity to gain or consolidate their competitive advantage, not only because of the innovative drive that a sustainable approach produces, but also to secure access to certified supply chains, better financing conditions, and strategic partnerships with public and private entities.

According to EU projections, the transformation of business in a sustainable key is expected to generate worldwide economic opportunities worth USD 12 trillion and create 380 million jobs by 2030, more than 50 per cent of which will be in developing countries. In this direction, several aids have been dedicated to women entrepreneurs, also with the aim of reducing the gender gap, encouraging an active participation of women in the European economic fabric. However, their role continues to remain marginal.

Focusing on the Italian scenario, "Made in Italy" is synonymous with excellence. In fact, its importance in the world is due to a series of products that stand out for the high quality of the materials used, refined style, innovation, and attention to detail. Italian companies have been able to gain leadership positions in sectors such as fashion, luxury, and agri-food, which also include appropriate communication and digital marketing strategies.

For some time now, in fact, these companies have understood that the race for sustainability is not just a new sales opportunity but a *conditio sine qua non* for prolonging their very existence over time. The positive spin-offs do not only concern individual products, the planet, and nature, but the quality and quantity of sales themselves.

Based on these assumptions, women entrepreneurs should consider sustainability as a key factor in business development. Therefore, these enterprises would then need to build models that are sustainable for the environment and the health of consumers, in line with the changing patterns of use that, globally, digital transformation has introduced into the current market scenario.

As well as in the European context, various aids have been put in Italy. After the pandemic, the National Recovery and Resilience Plan (NRRP) is certainly the most important one. This measure includes support for women's entrepreneurship by encouraging its establishment and development.

The agri-food and luxury, with the manufacturing sector, are certainly two of the main focal points on which made in Italy has found success.

Actually, agriculture is at the centre of a process of profound renewal, relying on digital technologies such as big data, artificial intelligence and machine learning, Internet of Things, cloud, and blockchain to achieve supply chain optimisation that best protects the consumer, improves the quality and yield of agricultural production, and guarantees its origin.

Even luxury brands have interpreted these actions as a structural revolution, a new worldview that needs to be pursued to not only maintain market share, but to have a positive impact on the environment and the future. Luxury also makes it possible to focus on an important principle of the ethical consumer, who focuses on the quality of the product and not so much on the quantity purchased. Buying less and more responsibly is the way to guide the new generations, who also assess the environmental impact of production and disposal.

Today, thus, it is important that female entrepreneurs try to make a sustainable, affordable, ethical product that respects people and the environment.

Through an interdisciplinary perspective, this section includes manuscripts in the field of female entrepreneurship within agri-food, fashion, luxury, and made in Italy for their sustainable establishment and growth. Particularly, manuscripts are focalised on:

- Female entrepreneurship phenomenon in the Italian context
- Female start-up as new entrepreneurial tool to revamp the Italian economy
- Gender issues in the family firms
- Strategies for sustainable development of female entrepreneurships
- Sustainability in the agri-food and luxury Italian market
- Critical factors of the made in Italy to support agri-food and luxury firms led by women

Rome, Italy Paola Paoloni

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Part I
Diversity Management for Sustainable Governance of Organisations

Path Evolution on Gender Reporting. Early Reflections

Paola Paoloni, Antonietta Cosentino, and Marco Venuti

1 Introduction

Over the past decade, there has been a growing interest in gender issues by international organisations, national authorities, businesses, and researchers. Gender equality is one of the 17 goals (Goal 5) of the 2030 UN Agenda for Sustainable Development (UN, 2015). Goal 5 aims to achieve gender equality and empower all women worldwide. UN (2015) recommends that world nations adopt and strengthen sound policies and enforceable regulations to promote gender equality and women's empowerment at all levels (Paoloni et al., 2023).

Based on data collected by the UN in 2022, globally, achieving the goal of gender equality by 2030 is still far away. At the current rate of progress, it is estimated that it will take up to 286 years to close gaps in legal protection and remove discriminatory laws, 140 years for women to be equally represented in positions of power and leadership in the workplace, and 47 years to achieve equal representation in national parliaments. Recent global crises have highlighted and exacerbated existing gender inequalities, such as unequal access to healthcare, education and economic opportunities. Political leadership and comprehensive reforms are needed to dismantle systemic barriers to achieving SDG5 (https://sdgs.un.org/goals/goal5).

The Global Gender Gap Report (World Economic Forum, 2023) highlights that in the 146 countries analysed, the Global Gender Gap Index in 2023 stands at

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68.4%, with an improvement of only 0.3 percentage points compared to the previous year. According to the report, at the current rate of progress, it will take 131 years to achieve full equality. To date, no country has yet achieved full gender equality.

In 2023, gender equality in Europe, again according to the Global Gender Gap Report, stands at 76.3%, exceeding that achieved by North America (75%). Across all sub-indexes, Europe has the highest gender parity of any region. At the current rate of progress, Europe is expected to achieve gender equality in 67 years (World Economic Forum, 2023).

In this international context of particular attention to gender issues, various EU legislative initiatives are being raised. One of these is the issuance of the EU Directive 2014/95 on non-financial and diversity information—NFID (EU 2014) that requires that large European companies which are public-interest entities provide, among others, information on types of policy used and the results achieved regarding gender disclosure. The NFID implementation required the adoption of guidelines to refer to and how non-financial information is represented. The Guidelines most used by European companies are those issued by the GRI (KPMG, 2022).

At the end of 2022, the EU issued Directive 2022/2464 on Corporate Sustainability Reporting (CSRD) which amended Directive 2014/95 (EU 2023). The new Directive expands the number of companies required to prepare a sustainability report providing the mandatory adoption of sustainability standards issued by the EU, called the European Sustainability Reporting Standards (ESRS). The CSRD aims to improve the flow of information on the sustainability performance of companies. This Directive will make sustainability reporting by companies more consistent so that all stakeholders can use comparable and reliable sustainability information. Implementing the CSRD requires adopting the ESRS to ensure a consistent and analytical presentation of sustainability information by European companies. UE issued the first set of ESRS in July 2023.

CSRD replaces the term "non-financial disclosure" with "sustainability disclosure" as more appropriate concerning the nature of the disclosure provided. Such disclosure has reflections on the financial aspects as well. In addition, the term sustainability disclosure aligns with international practice (Recital 7).

CSRD will be effective for financial years beginning on or after January 1, 2024.

The purpose of this paper is, on the one hand, to analyse the changes in the Directive and the factors that have influenced them and, on the other hand, to provide a first reflection on the changes that may be necessary for the organisational aspects of the business.

First, comparative analysis across directives is needed to analyse the changes in gender reporting contained in the NFID. To this end, we examine the quality, quantity and modalities of information presentation related to women comparing, on one side, the NFID requirements and, on the other side, the CSRD. This is a way that permits investigation of the reasons for specific changes in progress. The reasons for these changes are also the result of other regulations.

The relevant factors considered in this analysis are the following:

- Directive 2022/2381 on improving the gender balance among directors of listed companies and related measures
- The approval by the European Parliament of the directive on pay transparency measures (Directive of the European Parliament and the Council) aimed at strengthening the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms (EU, 2023). This directive can be called a "gender directive"
- The indications recently emerged at the European level aimed at simplifying the obligations required by the CSRD. In this sense, the speech of the President of the European Commission to the European Parliament was emblematic, in which she represented that there was a need to simplify sustainability reporting obligations compared to the first draft of European sustainability standards (ESRS) prepared by EFRAG (von der Leyen, 2023)

Given that: (1) gender disclosure is part of sustainability disclosure, (2) a consultation on ESRS has recently concluded, (3) implementation of CSRD requires the adoption of ESRS and (4) the EU issued the first set of ESRS in July 2023, it can be assumed that other changes may be introduced in gender reporting.

The relevance of these changes and the underlying reasons provide valuable elements to carry out initial considerations on the impacts that this could produce on company organisational aspects and, therefore, prefigure the necessary adaptations in terms of tools, procedures and processes that companies should follow.

From this perspective, we formulate the following research question:

RQ1 What factors influence the different gender disclosure requirements between Directive 2014/95 on non-financial information and Directive 2022/2464 on Corporate Sustainability Reporting?

Based on the comparative analysis between the two Directives, it is possible to foresee the impact that these changes may have on companies' organisational aspects. Extensive literature has analysed the organisational changes generated by sustainability accounting, even if existing studies have not yet reached definitive results. Companies must make the necessary organisational adjustments regarding the tools, procedures and processes to be followed.

Therefore, the second research question of this study can be stated as follows:

RQ2 How organisational aspects of the company may be affected by the change in sustainability reporting?

The analyses highlight a significant increase in the disclosure requirements on gender equality in the CSRD, in line with the principle of equal treatment between women and men that inspired the European legislation (EC, 2020). In this regard, the CSRD requirements are consistent with the Pay Transparency Directive, which aims to strengthen the application of the principle of equal pay for men and women, the prohibition of discrimination, and pay transparency mechanisms. Thus, both Directives contribute to the achievement of gender equality and the empowerment of all women in the world, as established in Objective 5 of the United Nations 2030 Agenda (Paoloni et al., 2023; UN, 2015).

Furthermore, it should be underlined that the changes in reporting required by the gender equality directives can reasonably be expected to impact business processes and structures significantly. These changes are of such importance and extent that they may imply the need for companies to equip themselves with specific organisational units capable of managing and measuring continuous financial flows using adequate metrics.

This contribution is structured as follows.

Section 2 describes The process of accounting harmonisation of sustainability reports. Section 3 analyses the organisational changes that sustainability accounting can push. Section 4 describes the research methodology, while Sect. 5 presents the results and discussions. Finally, Sect. 6 offers conclusions, values, limitations and future research steps.

2 The Process of Accounting Harmonisation of Sustainability Reports

Sustainability has become, over the years, a central theme influencing how undertakings operate and communicate with their stakeholders (Dhaliwal et al., 2014; Epstein et al., 1976; Gao et al., 2016; Larrinaga & Bebbington, 2021). This tendency is powerful in Europe, driven on the one hand by the trend of larger companies to prepare sustainability reports (Adams & Larrinaga, 2019; Amel-Zadeh & Serafeim, 2017; Camilleri, 2015) on the other, induced by intense regulatory pressure (European Commission, 2001, 2011; Cosentino & Venuti, 2023).

Information is central to efficient capital allocations; therefore, investors' demand for sustainability reporting has grown tremendously.

Scholars distinguish two main paths for developing sustainability accounting. Critical theorists argue that corporate accounting is not fit to record and disclose information about corporate social and environmental impacts (Gray, 2002, 2010; Gray & Bebbington, 2000). However, through awareness raising, this critical approach contributes to developing sustainability accounting and reporting. Another path, the managerial one, views sustainability accounting as "the provider of solutions to problems and directs attention to tools which can support decisions to be made in a set of diverse circumstances by diverse actors, different types of managers as well as different stakeholders" (Burritt & Schaltegger, 2010, p. 842).

The logical conclusion is that both paths must be followed if sustainability is to become anything more than an exercise in awareness-raising and problem-solving. Thus, sustainability accounting and reporting development should be more geared, on the one hand, towards improving management decision-making, on the other hand, to the convergence process towards standardising the sustainability accountability report.

However, the convergence process towards standardising the sustainability accountability report is still far from being completed for various reasons.

Firstly, many overlapping and slightly different sustainability concepts exist, such as corporate social responsibility and ESG (environment, social and governance) (Berg et al., 2022; Gillan et al., 2021; Stolowy & Paugam, 2023). At the same time, there is disagreement about its measurement and coexistence of different sustainability reporting: integrated reporting, sustainability reporting and non-financial reporting (Kimbrough et al., 2022).

The different views of sustainability and the distinct forms of measurement and reporting also depend on the coexistence of various international organisations engaged in sustainability reporting or the promotion of sustainable activities, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standard Board (SASB, recently absorbed by the ISSB) which are among the international organisations that enjoy a high level of legitimacy and claim sovereignty over corporate sustainability reporting.

Further aspects that hinder the homogenisation of sustainability standards lie in the different relevance states give to the issue.

Some jurisdictions, such as the EU, require firms to disclose information about several dimensions of sustainability, whereas other states follow a voluntary sustainability disclosure approach (Giner, 2022). Furthermore, in some countries, mandatory sustainability-related disclosures are required for specific sectors (e.g., extraction industries in the USA) (De Lange & Howieson, 2006) or particular sustainable activities (e.g., corporate philanthropy activities in the UK or India) but not in other fields (Darendeli et al., 2022). Lastly, certain countries allow firms to choose among several frameworks (e.g., GRI, SASB), even for mandatory sustainability reports.

3 The Sustainability Accounting Impact on the Organisational Change

Over the last two decades, several scholars have investigated the connection between sustainability accounting and organisational change and, precisely, whether and how pressures (Cosentino & Venuti, 2022, 2023) or the desire to draw up sustainability reports can stimulate a shift toward more sustainable corporate practices and therefore lead to organisational changes (Contrafatto, 2014).

Building on Laughlin's (1991) models of organisational change, various scholars (Gray, 1992; Gray & Milne, 2002) have explored the adaptation of organisations to sustainability challenges. They concluded that the changes triggered by the accounting changes were not significant.

Laughlin's insights allow accounting researchers to distinguish between four models of organisational change (refutation, reorientation, colonisation, and evolution) that can involve two types of organisational change (Garcia-Torea et al., 2023):

(1) morphostatic or first-order change, whereby adjustments are limited to some structures and practices, and (2) morphogenetic or second-order change, whereby organisational changes are more profound, influencing in particular interpretative schemes, i.e. a set of fundamental beliefs and values that are imprinted in the organisation and which provide the possibility of a shared interpretation (Bouten & Hoozée, 2013).

According to the organisational learning theory proposed by Mitchell et al. (2012), two levels of change can be distinguished: (a) evolutionary/first-order/incremental/evolutionary/single-loop change and (b) radical/second-order/transformational/double-loop change, in line with Laughlin (1991).

Focusing on accounting studies, scholars have highlighted the internal and external factors that act as obstacles or forces for change. The role of managers, knowledge, power and corporate culture were identified among the internal factors.

Scholars highlighted that some of the most relevant internal factors that push companies towards organisational change as a response to the pressures exerted by sustainability accounting include corporate reputation, the customer demand for transparency, regulation, social awareness, access to resources and collaboration with external parties (Lozano, 2015). These factors vary greatly depending on the size, structure and industry of the company (Engert & Baumgartner, 2016).

External factors include governments, financial rewards, the institutional context and reporting standards (Behnam & MacLean, 2011; Cerbone & Maroun, 2020; Contrafatto, 2014; Cosentino & Venuti, 2022, 2023; Egan & Tweedie, 2018; Sethi & Schepers, 2014).

Other scholars have highlighted the interaction of internal and external factors mediating social accounting and organisational change (Bouten & Hoozée, 2013; Larrinaga & Bebbington, 2001; Li & Belal, 2018).

This intuition is consistent with institutional perspectives, which require an examination of the factors that characterise the different levels at which accounting can generate change (Contrafatto, 2014; Cosentino & Venuti, 2022, 2023; Dillard et al., 2004).

Sustainability requires organisational change management (Doppelt, 2010). It should include corporate systems, i.e. leadership, visions, employees and policies (Benn et al., 2014; Henriques & Richardson, 2005). Organisations need to be more receptive to change, face greater risks and may be at the mercy of external forces.

Managing organisational change involving sustainability was considered according to top-down and inside-out approaches. The first type of approach emphasises aspects such as measurement, management and control. Adopting an inverse vision, it was observed that organisational change is made possible by internal change and innovation (Doppelt, 2010; Henriques & Richardson, 2005).

Lozano (2013) proposes a hybrid approach to change management, which he defines as "orchestrated change for corporate sustainability". According to this vision, the organisational system goes through a transition period before reaching a more sustainability-oriented phase. This intermediate process allows you to promote drivers and facilitators of change, and to apply strategies to overcome obstacles to sustainability and new reporting requirements.

It follows that sustainability reporting and managing organisational change for sustainability have mutual and reinforcing relationships. Thus, sustainability reporting drives change in organisations, data, performance metrics, strategy, reputation, stakeholders and even the subsequent reporting cycle (Lozano et al., 2016).

Despite the inconclusiveness of the accounting literature, a common theme found in this review is that the extent to which sustainability accounting drives or inhibits organisational change and the positive or negative direction of such change are context-dependent, with precise consideration of the different factors characterising literature, as described above.

Some authors have highlighted that the link between sustainability accounting and organisational changes is reflective because some changes in the organisational behaviour of companies occur before the start of reporting; these changes are sometimes motivated by external social pressure. (Blanco et al., 2017; Cosentino & Venuti, 2023; Doorey, 2011).

Other authors highlight that companies' sustainability reporting managers sometimes act as institutional entrepreneurs in implementing integrated reporting, leading to a revolutionary (transformative) change in the organisation's rationality. It was highlighted that GRI standards are used to internally evaluate CSR performance (Argento et al., 2019; Vigneau et al., 2015). Thus, companies are more interested in improving their reporting than their strategy. In such cases, CSR practices become retrospective rather than proactive.

Despite the extensive literature on the impact of the sustainability report on the organisational change of companies, no definitive results appear to have emerged. Therefore, further analyses are recommended.

4 Research Methodology

We compare the legal provisions of two Directives (NFID vs. CSRD) to answer the first research question. With appropriate adaptations, the comparison method is used in studies of international comparative accounting and standards development (Gebhardt, 2000; Nobes & Parker, 2010; Van der Tas, 1988).

The specific purpose of this line of research often leads to reflections on the process of convergence of accounting standards and the factors influencing it (Van der Tas, 1988). In other words, this approach permits focusing on the different elements of breaking with the previous discipline and highlighting the different innovative elements (Baldini, 2023).

This paper adopts the comparative approach between regulatory sets to identify the change in the European reporting rules and then consider the ongoing evolutionary process and the factors that determine it. To this purpose, the paper examines the quality, quantity and modalities of information presentation related to gender comparing, on one side, the NFID requirements and, on the other side, the CSRD requirements. This is a way that permits investigation of the reasons for specific changes in progress.

The standards adopted by companies to implement the provisions of these Directives are not examined in this phase of the research. The standards are essentially GRI in the case of NFID and ESRS in the case of CRSD. To date, only the first set of ESRS has been published.

The analysis carried out is qualitative in two respects:

(i) In terms of the type of analysis carried out (content analysis of the paragraphs of the Directive)
(ii) Because the CSRD will enter into force in 2024

For the purposes of the research, the requests regarding gender disclosure of the Directives are first compared, initially examining the recitals and then the articles of the two Directives.

The analysis is carried out by identifying homogeneous clusters on a conceptual level on which to highlight any existing differences and the reasons for these differences.

Based on the results of the first question, we also make a first critical analysis of the possible impact of regulatory changes on the organisational aspects of the company. This is a preliminary analysis. Thus, when the new rules come into force will it be possible to empirically assess their impact on business processes and structures.

5 Results and Discussion

5.1 Comparison of the Directives Requirements

The comparison between NFID and CSRD regarding gender requirements is presented in Tables 1 and 2. Table 1 compares the text of the two Directives' recitals, while Table 2 compares their articles. Bold fonts are not present in the original texts of the Directives analysed and have been added by the paper's authors to emphasise the gender requirements. Thus, the first result of the research can be seen in the identification of the parts specifically related to gender issues.

The numbers next to the texts shown in Tables 1 and 2 indicate, respectively, the paragraph number of the recital and the article number from which the texts were extracted.

Comparing the recitals of the two Directives, three conceptual clusters emerge which can be likened:

(i) Gender equality
(ii) Diversity in the boards
(iii) Gender policies and their implementation

The first cluster concerns the measures taken by companies to ensure gender equality. In the NFID the issue is only mentioned as a general principle, without giving details of its application. The CRSD, on the other hand, deals with the issue in

Table 1 Comparison of gender disclosure in the Directives recitals

Directive 2014/95 (NFID)	Directive 2022/2426 (CSRD)
(7) As regards social and employee-related matters, the information provided in the statement may concern the **actions taken to ensure gender equality**	(49) Sustainability reporting standards should specify the information that undertakings should disclose on social factors, including working conditions, social partner involvement, collective bargaining, **equality, non-discrimination, diversity and inclusion, and human rights** Sustainability reporting standards that address social factors should specify the information that undertakings should disclose with regard to the principles of the European Pillar of Social Rights that are relevant to businesses, including **equal opportunities for all and working conditions.** … Sustainability reporting standards that address **gender equality** and equal pay for work of equal value should specify, amongst other things, **information to be reported about the gender pay gap**, taking account of other relevant Union law

(continued)

Table 1 (continued)

Directive 2014/95 (NFID)	Directive 2022/2426 (CSRD)
(18) **Diversity** of competences and views of the **members of administrative, management and supervisory bodies** of undertakings facilitates a good understanding of the business organisation and affairs of the undertaking concerned. It enables members of those bodies to constructively challenge the management decisions and to be more open to innovative ideas, addressing the similarity of views of members, also known as the 'group-think' phenomenon. It contributes thus to effective oversight of the management and to successful governance of the undertaking. It is therefore important to enhance transparency regarding the diversity policy applied. This would inform the market of corporate governance practices and thus put indirect pressure on undertakings to have more **diversified boards** (19) **The obligation to disclose diversity policies in relation to the administrative, management and supervisory bodies with regard to aspects such as, for instance**, age, **gender** or educational and professional backgrounds should apply only to certain large undertakings. Disclosure of the diversity policy should be part of the corporate governance statement, as laid down by Article 20 of Directive 2013/34/EU. If no diversity policy is applied there should not be any obligation to put one in place, but the corporate governance statement should include a clear explanation as to why this is the case	(3) … **diversity on company boards** might have an influence on decision-making, corporate governance and resilience. (49) Sustainability reporting standards that **address diversity should specify, amongst other things, information to be reported on gender diversity at top management and the number of members of the under-represented sex on their boards**
	(58) In order to progress towards a more gender-balanced participation in economic decision-making, it is necessary to ensure that undertakings whose securities are admitted to trading on a regulated market in the Union always **report on their gender diversity policies and the implementation thereof**

Source: Authors' elaboration based on the NFID and the CSRD

several aspects, recalling the main elements. Reference is made to relevant elements such as non-discrimination, equal opportunities and the gender pay gap. The general concept is therefore declined in more specific application concepts and, as such, with less blurred contours. This is a clear step towards Goal 5 and thus towards achieving effective gender equality at the European level.

The requirement for this disclosure is in line with the provisions of the Pay Transparency Directive which aims to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women

Table 2 Comparison of gender disclosure in the Directives articles

Directive 2014/95	Directive 2022/2426
	Article (19b) … (2) The sustainability reporting standards … shall require that the information to be reported is understandable, relevant, representative, verifiable, comparable, and is represented in a faithful manner The sustainability reporting standards shall, taking into account the subject matter of a particular standard: … (b) specify the information that undertakings are to disclose about social factors, including information about: (i) **equal opportunities for all, including gender equality and equal pay for equal work, training and skills** development, and employment and inclusion of people with disabilities;
Article 20 (1) (g) **a description of the diversity policy applied in relation to the undertaking's administrative, management and supervisory bodies with regard to aspects such as, for instance,** age, **gender**, or educational and professional backgrounds, **the objectives of that diversity policy, how it has been implemented and the results** in the reporting period. If no such policy is applied, the statement shall contain an explanation as to why this is the case	Article 20 (1) (g) **a description of the diversity policy applied in relation to the undertaking's administrative, management and supervisory bodies with regard to gender** and other aspects such as, age, or educational and professional backgrounds, **the objectives of that diversity policy, how it has been implemented and the results in the reporting period**. If no such policy is applied, the statement shall contain an explanation as to why this is the case.

Source: Authors' elaboration based on NFID and CSRD

('principle of equal pay') and the prohibition of discrimination, though also pay transparency mechanisms. The new legislation will require EU companies to disclose information that will make it easier for employees to compare salaries and highlight existing gender pay gaps. In addition, the Directive sets out dissuasive penalties, including fines, for employers who do not comply with the rules and established companies will have to act if their gender pay gap is more than 5%.

The Directive aims to make wages more transparent by requiring companies with more than 100 employees to report and correct their pay inequalities in order to reduce the gender pay gap in the EU, which currently stands at 13%. Thus, the CSRD and the Equal Pay Directive are two coordinated pieces of legislation, both of which aim to use disclosure requirements as a tool to pressure companies into closing the gender gap.

The second cluster concerns the issue of diversity in company boards. There are no significant differences between the recitals of the two Directives as regards information on the composition of the boards. From this point of view, the simultaneous publication of Directive 2022/2381 on the gender balance among directors of listed companies does not seem to have had any impact. This probably stems from the fact that the proposal of the directive on gender quotas on boards dates back to 2012 and therefore had already had the opportunity to influence the information requirements contained in the NFID. In this respect, there is a continuity in the disclosure requirements between the NFID and the CSRD.

The third cluster we have identified concerns the fact that the CSRD only states a general principle according to which "it is necessary to ensure that undertakings whose securities are admitted to trading on a regulated market in the Union always report on their gender diversity policies and the implementation thereof." However, the recital refers to a type of information that is included in the articles not only of the CSRD but also of the NFID. Thus, it is not a new concept compared to the previous Directive, but rather the underlying importance of the required information.

The same three conceptual clusters examined concerning the recitals are present in the articles of the two Directives.

About the first cluster, it should be noted that the CSRD, in line with the recitals, requires that the standards provide detailed information on equal treatment and gender equality in their different profiles: equal pay for equal work, training and skills development, and employment. This information complements the provisions of the Pay Transparency Directive, which requires Member States to introduce gender pay gap reporting, whereby workers and their representatives will have the right to receive clear and complete information on individual and average pay levels, broken down by gender. Both Directives are part of the logic of equal treatment legislation. The aim is to reduce the gender gap now and to eliminate it in the future.

The World Economic Forum (WEF, 2023) specifies that no country has filled the existing gender gap. Regarding the second cluster, there are no differences between the NFID and the CSRD predictions. Both require a description of the diversity policy applied to the company's administrative, management and supervisory bodies.

For the third cluster, no differences are found either.

Although the provisions are the same in the case of the last two clusters, this does not mean there will be any changes in reporting between companies. These differences may arise at the level of the implementing standards of the two Directives. Thus, the three clusters studied should be further examined concerning the provisions of the GRI (the standard generally adopted by European companies for non-financial reporting; KPMG, 2022) and in the ESRS. By comparing the provisions of these standards, it will be possible to obtain more detailed evidence of the expected evolution in terms of information on gender and the factors behind this evolution. This will be the subject of a study that will follow from the initial analysis carried out in this paper.