

REPORTING ON SUSTAINABLE DEVELOPMENT: NEW REALITIES FOR UKRAINE IN THE CONTEXT OF EUROPEAN DIRECTIVES

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Modern global economic challenges and environmental crises demand that businesses and public institutions adopt new standards of transparency and accountability. European sustainability directives, particularly the Corporate Sustainability Reporting Directive (CSRD) [1], set clear requirements for non-financial reporting aimed at ensuring environmental, social, and economic stability. For Ukraine, this presents a strategic opportunity to integrate European expertise, adopt best practices, and modernize its reporting system to boost investor confidence and foster sustainable economic growth.

The implementation of European legislation, specifically the CSRD, is a strategic imperative for Ukraine. The first CSRD reports are expected in 2025, covering data from the 2024 financial year. The directive is designed to ensure transparency in the economic, environmental, and social activities of large enterprises, including listed companies, financial institutions, and insurance organizations. However, social responsibility principles apply to all businesses regardless of size or ownership structure, addressing the need to reduce environmental impact, protect human rights, ensure product and service quality, support local communities, and combat corruption. Social responsibility enhances capitalization, strengthens partnerships, and increases investment attractiveness and company reputation as employers. Moreover, it underpins business strategy by requiring an integrated approach to evaluating performance through both financial and non-financial indicators at the highest levels of management.

The EU Corporate Sustainability Reporting Directive (CSRD) came into force on January 5, 2023 [1]. This key legislative initiative requires businesses operating in the EU, including subsidiaries of non-EU companies, to disclose their environmental and social impacts and to report on how their ESG (Environmental, Social, and Governance) practices affect their operations. The primary goal of CSRD is to offer transparent information to investors, analysts, consumers, and other stakeholders, enabling them to evaluate the sustainable performance, risks, and opportunities of EU companies.

In 2022, the European Financial Reporting Advisory Group (EFRAG) released the European Sustainability Reporting Standards (ESRS), which specify the metrics and reporting methodologies that companies must adhere to under the CSRD. The ESRS framework consists of 12 standards divided into four categories: cross-cutting (general principles and disclosures), environmental (covering climate change, pollution, water and marine resources, biodiversity, ecosystems, resource use, and circular economy), social (addressing issues related to the workforce, value chain, affected communities, consumers, and users), and governance (focusing on business conduct) [2-3].

Research involving 1,000 companies from all EU Member States on their sustainable development reporting revealed that jurisdictions with the highest number of published reports include the United Kingdom (168 companies), France (128 companies), and Germany (108 companies) [3]. The uneven adoption of non-financial sustainability reporting across the EU is due to differences in economic development, regulatory approaches, corporate culture, and resource availability. In advanced economies such as Germany and France, reporting is driven by strict national legislation, active public and investor participation, and robust business support for standard implementation. In contrast, countries with less developed economies or weaker institutional frameworks, such as Bulgaria and Romania, or those with a communist legacy like Lithuania, Latvia, and Estonia, face challenges due to a lack of expert support, low business motivation, and limited resources for adaptation. This underscores the need for harmonized approaches and additional support at the EU level, offering valuable insights for implementation in Ukraine.

Implementing sustainable development reporting standards that comply with European directives offers several strategic advantages for Ukraine:

1. Increased transparency and trust, because modern non-financial reporting systems enable companies to openly demonstrate their responsibility in social, environmental, and economic spheres, boosting investor, partner, and public confidence in Ukrainian businesses and public institutions [4].

2. Enhanced competitiveness by integrating European reporting standards, Ukrainian companies can meet international requirements, gaining access to capital on European markets and spurring the development of innovative business models, which fosters a modern, competitive market.

3. Attraction of investments. Transparent reporting and compliance with EU standards are critical criteria for international investors [5]. Adopting CSRD will make Ukrainian enterprises more attractive to investors, contributing to the country's economic growth.

4. Modernization of management processes. Implementing advanced methodologies for assessing intellectual capital and digital technologies allows companies to better analyze and manage risks, thereby enhancing overall productivity and business resilience.

5. Support for European Integration. Adopting European directives helps harmonize national legislation with EU norms, easing Ukraine's integration into the European economic space [6]. This creates new opportunities for collaboration, participation in international programs, and the adoption of best practices in sustainable development.

6. Advancement of digital transformation. The use of modern digital tools in reporting stimulates the development of intellectual potential, enabling companies to adapt to the challenges of the digital economy and implement innovative solutions.

Implementing the European reporting standards positions Ukraine for significant long-term benefits. By aligning its corporate transparency and sustainability practices with EU directives, Ukraine will not only attract increased foreign investment and modernize its management processes but also enhance its competitiveness on a global scale. This transformation is expected to foster economic growth, strengthen public trust, and promote social cohesion, paving the way for a resilient and prosperous future that fully integrates Ukraine into the evolving European digital and sustainable economy. Furthermore, the adoption of these standards will drive innovation and cultivate a culture of accountability essential for the transition to a competitive, knowledge-based economy.

The implementation of contemporary methods for assessing intellectual capital, combined with the integration of digital technologies and ESG factors, allows companies to form an objective view of their contribution to sustainable development. This not only improves internal management systems but also creates favorable conditions for partnerships among government bodies, businesses, and civil society. Thus, sustainable development reporting becomes a key tool for implementing European standards, enhancing competitiveness, and adapting Ukraine to new global realities.

Literature:

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ОЦІНКА СТАНУ КРЕДИТУВАННЯ АГРАРНОГО СЕКТОРУ В РЕГІОНАЛЬНОМУ РОЗРІЗІ

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Аграрний сектор відіграв ключову роль у забезпеченні продовольчої безпеки та розвитку економіки країни. Однак його ефективне функціонування значною мірою залежить від доступу до фінансових ресурсів, зокрема кредитування. Забезпечення аграрних підприємств доступними та вигідними кредитними продуктами є важливим чинником підвищення конкурентоспроможності галузі, модернізації виробничих потужностей та впровадження інноваційних технологій.

Разом з тим, кредитування агросектору стикається з низкою викликів, серед яких висока залежність від сезонності, значні ризики ведення сільськогосподарської діяльності, а також зміни в державній підтримці та регулюванні фінансового ринку. В умовах воєнного стану в країні, макроекономічної нестабільності та глобальних викликів важливо оцінити поточний стан кредитування аграрного сектору, визначити основні тенденції, проблеми та перспективи його розвитку.