

THE ROLE OF ESRS AS A FINANCIAL LITERACY AGENT IN ENHANCING CORPORATE RESTRUCTURING AND REPORTING

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Abstract

This article examines the role of the European Sustainability Reporting Standards (ESRS) as a financial education tool, proposing a different perspective where the sustainability standards act not only as a compliance requirement but as a vehicle for financial education. By using a qualitative methodology which focuses on a content analysis and a comparative case study of sustainability reports published by three large listed companies in an evolutionary approach, the research demonstrates how the transition from a vague and unstandardized framework to a very strict and detailed one has imposed significant corporate structure and decision-making processes changes and also increased the quality of the information published and reduced information asymmetry.

Furthermore, the results could be used as a direct indicator that the implementation of and alignment with the newly set European framework contribute to stakeholders' ability to interpret Environmental, Social and Governance (ESG) risk as financial variables.

The paper aims to contribute to the literature by defining a conceptual framework that links the technical rigours of the ESRS to the development of financial competencies within a company and society.

Keywords

ESRS; sustainability reporting; financial education; corporate social responsibility; transparency; ESG risks; corporate governance.

JEL Classification

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