Uluslararası Akademik Birikim Dergisi
Yıl: 2024, Cilt:7, Sayı 4, ss.-541-553

Green Governance: A Blessing or a Burden?

F. Müge ALGAN
Dr., Türk Standardları Enstitüsü
mugealgan@yahoo.com
https://orcid.org/0000-0001-8959-1174

Makale Başvuru Tarihi: 19.08.2024
Makale Kabul Tarihi : 20.09.2024
Makale Yayın Tarihi : 25.10.2024
Makale Türü : Araştırma Makalesi
DOİ: 10.5281/zenodo.13952415

Anahtar Kelimeler:

Green Governance, European Union, Corporate Sustainability Reporting Directive, UN SDGs, EU Green Deal.

Abstract

The magnitude of climate change problems and the inability of countries to address these problems have caused global actors to step in to find solutions. Thus, green governance has become a critical and widespread form of governance. The United Nations (UN) leads global efforts in the field of green governance with initiatives like United Nations Framework Convention on Climate Change, Kyoto Protocol, Paris Agreement, and Sustainable Development Goals. The European Union (EU) carries out initiatives such as The EU Green Deal, Taxonomy Regulation and sustainability legislation. Sustainability legislation of the EU imposes responsibilities on countries. This study introduces green governance and examines the global obligations of the Corporate Sustainability Reporting Directive (CSRD). The study investigates the contributions and the economic effects of global policies, and whether these policies are a blessing or a burden for weak parties such as developing countries and SMEs.

Yeşil Yönetişim: Nimet mi, Yük mü?

Keywords:

Yeşil Yönetişim, Avrupa Birliği, Kurumsal Sürdürülebilirlik Raporlaması Direktifi, BM Sürdürülebilir Kalkınma Hedefleri, AB Yeşil Mutabakatı

Özet

İklim değişikliği sorunlarının büyüklüğü ve ülkelerin bu sorunları ele almadaki yetersizliği çevre sorunlarına çözüm üretilmesi için küresel aktörlerin devreye girmesine neden olmuştur. Bu kapsamda yeşil yönetişim önemli ve yaygın olan bir yönetişim formu olarak ortaya çıkmıştır. Birleşmiş Milletler (UN) yeşil yönetişim alanında yürütülen küresel çalışmaların liderliğini üstlenmektedir. Birleşmiş Milletler İklim Değişikliği Çerçeve Sözleşmesi, Kyoto Protokolü, Paris Anlaşması, Sürdürülebilir Kalkınma Hedefleri gibi girişimler BM'nin önemli çevre girişimleridir. Avrupa Birliği (AB) de Yeşil Mutabakat, Taksonomi Regülasyonu ve sürdürülebilirlik çalışmaları ile bölgesel alanda çevre yönetişimi ile ilgili önemli çalışmalar yürütmektedir. Son yıllarda AB tarafından yayınlanan sürdürülebilirlik mevzuatı ülkelere bazı sorumluluklar yüklemektedir. Bu çalışma, küresel ve bölgesel yeşil yönetişim çalışmalarını tanıtırken Kurumsal Sürdürülebilirlik Raporlaması Direktifi (CSRD) özelinde ülkelerin ve şirketlerin küresel yükümlülüklerini incelemektedir. Çalışma küresel politikaların çevreye katkılarını, politikaların uygulanmasındaki sorunları, politikaların ülke ekonomilerine etkilerini ve gelişmekte olan ülkeler ve KOBİ'ler gibi zayıf taraflar için bu politikaların bir nimet mi yük mü olduğunu araştırmaktadır.

1. INTRODUCTION

While globalization connects people and societies and creates many changes in the world order, it has also caused the redefinition of public administration. The stagnation in the economy in the 1970s brought about different management searches with the influence of globalization, and the 80s witnessed the redefinition of the role of the nation-state. The state is equipped with new duties like inviting parties to policy-making processes and transparency. The governance model, which invites parties affected by public policies to the policy-making table, was first used by the World Bank. In its Africa Report, the World Bank defined the solution to the development problem in the region as a lack of management (World Bank,1989). This administration change proposal of the World Bank has been accepted in the global arena and has started to be used with the jargon of "global governance" by the United Nations (UN) and "good governance" by the Organization for Economic Co-operation and Development (OECD) (Güler, 2003). The European Union (EU) published a White Paper, defining governance principles and determining the Union's governance practices. This multilateral structure in determining public policies that emerged with the globalization and governance model has paved the way for regional and global policies and added global actors such as the OECD and the EU to the nation-state. While the nation-state shared its policy-making power with these global actors, later these global actors adopted a cooperative governance approach and followed each other's policies to penetrate the public policy of the countries. The implementation of the policies determined by the EU followed by the OECD in the countries, and the UN, OECD and the World Bank presented policy recommendations and suggestions to the G20 countries in many areas (Algan, 2021: 822-828).

Globalization has had both positive and negative consequences on environmental issues. Although it facilitates the production of technological solutions to environmental problems, the integration of global markets, the intensification of the use and depletion of resources, and the increase in waste production are some of the environmental problems created by globalization (Lemos and Agrawal, 2006: 300).

The failure of countries to address the problem, the emergence of urgent global issues, and new institutions have encouraged the search for partnership (Lemos and Agrawal, 2006: 301; Clark W., 2000). As a result, global political actors have stepped in to find solutions to climate change and environmental problems.

These actors have invited countries to implement global environment policies through agreements, decisions, regulatory processes, mechanisms and environmental actions. International agreements, global actors, national policies, legislation, local decision-making structures are all involved in this environmental governance or green governance. Thus, environmental governance has become a form of management that is diverse and critical in importance and is widespread almost everywhere (Lemos and Agrawal, 2006: 298-299).

Green governance, which started with globalization, has moved to another stage with environmental policies being managed by global actors (Lemos and Agrawal, 2006: 299-302). Decentralization of management with the governance model has also facilitated the implementation of environmental policies determined by global actors on a national scale. The determination of global environment policies by international actors limited the policy-making area of the nation-state and obliged countries to allocate resources for green policies. This resource, which reaches significant amounts even for developed countries, has become a burden for developing countries.

The fact that the policies implemented within the scope of global green governance have consequences such as energy saving and environmental taxes have added market actors to the system (Lemos and Agrawal, 2006: 306). In particular, multinational companies have begun to take measures by influencing the policies of global actors to minimize the responsibilities arising from global environmental policies and to turn these policies into commercial gain. Thus, this nation-state, global actors, multinational corporations "cross-scale governance" has enabled the determination of different strategies in environmental policies and has created a governance model in which social learning increases, formality in decision-making decreases, and transparency and participation gain importance (Lemos and Agrawal, 2006: 309).

Green governance involves policies of the state, global actors and businesses. National policies, international agreements and legislation are the tools of green governance. Considering that more than 1700 multilateral and bilateral environment agreements have been signed to date, it does not seem possible to stay out of global environmental policies (Lemos and Agrawal, 2006: 308). Therefore, green governance is of critical importance, its scales are diverse and it is widespread on a global scale (Lemos and Agrawal, 2006: 298).

This study introduces global and regional green governance efforts of the UN and the EU. Initiatives such as the United Nations Framework Convention on Climate Change, Kyoto Protocol, Paris Agreement, Sustainable Development Goals (UN SDGS) and Global Compact are comprehensive environmental initiatives of the UN. The EU also contributes to global environmental goals while carrying out studies to prevent climate change across Europe with its Directives, Strategies, The EU Green Deal, Taxonomy Regulation and sustainability legislation on regional environmental governance. This study aims to introduce the global environmental policies carried out by the UN as a general framework and examines the environmental policies carried out by the EU, especially the Corporate Sustainability Reporting Directive (CSRD). While the study examines the contributions of global policies to the solution of environmental problems, it investigates the problem in the implementation of policies and the effects of policies on country economies and parties affected by policies like developing countries and SMEs.

2. GLOBAL GREEN GOVERNANCE FRAMEWORK

The most important international decision regarding keeping or reducing human-induced greenhouse gas emissions at a certain level due to their negative effects on the global climate system is the United Nations Framework Convention on Climate Change, which was one of the outcomes of the United Nations Conference on Environment and Development (Earth Summit) held in Rio in 1992. The Convention dated March 1994, when 50 countries submitted their ratification documents, and 186 countries and the EU have become parties to the Convention so far (Algan, 2011: 85). The agreement determined an important framework for producing solutions to environmental problems and enabled the determination of a road map in this context. Participation of countries in the Convention has been a significant step towards the adoption of UN policies on a national scale.

In 1997, upon the views of the countries that the Convention was not sufficient, especially regarding the reduction of greenhouse gas emissions, the Kyoto Protocol was adopted, which determined the actions after 2000 to strengthen the obligations of the parties. The Kyoto Protocol adopted emission trading, joint implementation and clean development mechanisms that will enable the parties to fulfil their requirement at a lower cost and outside their national borders, with priority given to the policies and measures to be taken within their borders (Algan, 2011: 85). The Kyoto Protocol, which Rosen described as the right solution at the wrong time, did not meet the expectations of scientists and activists with its weak carbon targets. Moreover, although their carbon targets are weak, many countries have not been able to achieve them. Canada completely exited the system, and some countries such as Japan remained in the system but failed to reach a compromise (Rosen, 2015: 31-32). According to the Global Carbon Project (GCP) data, total carbon emissions worldwide were 34 billion 810 million tons in 2020, while 51.1 per cent of this emission released by China, the United States of America (USA) and India. The 4 billion 713 million tons of carbon emissions released by the USA in 2020 correspond to 13.5 per cent of global emissions (GCP, 2022). Although it causes half of global carbon emissions, the USA wanted to use the flexibility mechanisms and trading systems of the Kyoto Protocol, but as a result of this not being possible and objections from other countries, it withdrew from the Protocol. At this point, the EU is making great efforts to bring America into the system. However, the US perceives these efforts as restricting US trade by using international trade agreements since they are not party to the Protocol. In this sense, the EU's efforts are not enough to bring the USA to the table (Bhagwati and Mavroidis, 2007: 310). This initiative, which could be seen as a start, was not successful for many reasons, such as the weak emission commitments of the countries, the USA not ratifying the Protocol, and the countries withdrawing from the negotiations. The failure of the Protocol is that, beyond weak goals and costly solutions, it exposes the world to a weak solution strategy (Rosen, 2015: 31-32).

The Paris Agreement, the third phase of international governance in the fight against climate change, was signed in 2015. With the agreement, a new cooperation framework was created that is expected to include all parties in global emission reduction action (Mazlum, 2019: 7-9). Although the Paris Agreement, which established new rules for international cooperation against climate change, is an important turning point in global climate policy, the emission reduction targets of the countries that accepted the Agreement were insufficient to achieve the purpose of the Agreement (Mazlum, 2019: 43). In response to opinions about the inadequacy of the Paris Agreement, Clemençon states that the Paris Agreement is better than no agreement at all. According to that; the Paris Agreement at least tries to attract countries that are far from environmental targets into the system with its emission reduction targets and emission trading system (2016: 3). Although the Biden administration approaches the Paris Agreement more sensitively and draws attention to the issue of emission reduction, the US's approach to green governance legislation has not changed. The insensitivity of countries with high emissions to the issue also causes the goals of the Paris Agreement to not be achieved. The effects of global problems have begun to be felt more in underdeveloped regions, especially in Africa. Even small emission reductions and minor efforts will be important for many countries (Estrada and Botzen, 2021: 95, 109). However, failure to make this effort puts our world on a path of no return (Clemençon, 2016: 20).

These efforts of the UN have prepared a general framework for preventing climate change and producing global solutions to environmental problems and determined road maps for countries to follow. As a result of these efforts, Conferences of the Parties (COP) have been held over the years and various dialogue processes have been carried out to increase the missing contributions and determine new actions. COPs, efforts of G20 countries, missions and establishment of alliances have been other efforts carried out within the framework of green governance (Mazlum, 2019: 43-53).

The 2030 Agenda for Sustainable Development which is adopted by all UN Members in 2015, aims to provide a common plan for prosperity. The 17 Sustainable Development Goals (SDGs) determined in this context are a call to action for all countries to increase prosperity while protecting the world. The SDGs include strategies to end poverty by improving economic growth and addressing social needs, including health, education and job opportunities while tackling climate change (UN, 2015). While these goals are important for a sustainable future, according to 2023 data, the realization rate of the SDGs remains below 50%. Nearly 200 sub-goals and actions defined under the 17 SDGs have not been implemented adequately by many countries. While it is almost impossible to achieve these goals, especially for countries struggling with war and hunger, developed countries barely contribute to these goals outside their borders. These goals, to which even global actors and countries cannot fully contribute, are even more difficult for SMEs, the weaker stakeholders of the countries. SMEs define SDGs as "too big" to comply with and define the 2030 Agenda as “too comprehensive” to follow (Smith et al., 2022: 4).

Another initiative within the scope of green governance in recent years is the United Nations Global Compact. UN Global Compact is a non-binding UN convention that aims to spread a sustainable, common global development culture throughout the world. It invites and encourages organizations to develop practices that are sustainable and in line with their social responsibilities. As of 2021, the convention has over 9,500 corporate and over 3,000 non-corporate signatories in over 160 countries. It is considered the most widespread volunteer responsibility project in the World (UN, 2023). The Global Compact sets out ten core principles that companies undertake to adopt and make part of their business strategies, practices and culture in the areas of human rights, anti-corruption, environment and workers' rights (UN, 2023). Signing the agreement encourages the signatory institutions to discipline activities in line with the principles in the agreement, to make measurements regarding them, to set new targets to improve themselves every year and to present all of these to the public, and to avoid behaviours that may be contrary to the principles of the agreement with great care (UN, 2023). Global actions to prevent climate change are developed under the leadership of global actors, especially the UN, and are a call directed not only to countries but also to companies. However, since the UN Global Compact is based on voluntary, its contribution to the solution of global environmental problems is limited.

In addition to global studies in the field of green governance, the contributions of the EU are also quite significant. The Union, which sets regional goals in addition to international obligations, reveals the green goals of the EU with the directives it publishes and follows both the global and the Union goals. Efforts such as the EU Green Deal, Taxonomy Regulation and Corporate Sustainability Reporting Directive (CSRD) highlight the EU in the field of preventing climate change and finding solutions to environmental problems. For this reason, the EU's green governance activities are considered worth examining separately.

3. GREEN GOVERNANCE OF THE EUROPEAN UNION

While the average temperature has increased by 0.74 degrees Celsius worldwide in the last 100 years, the temperature in Europe has increased by approximately 1 degree Celsius in the same period. Europe is warming at a faster rate than the global average (Algan, 2011: 85). The EU has come to a strong position in international efforts by adopting an emission target within itself before the UN Framework Convention on Climate Change, with the carbon dioxide emission target set at the Luxembourg Environment and Energy Council in 1990. While the Kyoto Protocol obliges the parties to reduce greenhouse gas emissions by 5.2% between 1990 and 2012, 15 EU member states of the period took this target further and collectively committed to reduce their emissions by 8%. To maintain the 8% emission reduction, which is the common target for the EU, the obligations were distributed among the member states according to the EU burden-sharing mechanism decided by the Council in June 1998 (Algan, 2011: 85).

The EU has determined actions related to the prevention of climate change with its Environmental Action Programs. These programs ensure that climate change is one of the most important issues of the Union. The programs determine actions appropriate to the aim of creating a plan for carbon emissions trading within the EU and preventing climate change. For example, in the 6th Environmental Action Program, actions to carry out an inventory and review of state aid related to the energy sector in the Member States, to support renewable energy sources, to provide sufficient support in this direction in the liberalized energy market, and to increase energy saving were determined (Algan, 2011: 86).

The EU implements its policies regarding the prevention of climate change through Strategies and Directives. In addition to these, the European Climate Change Program (ECCP) was established to help the EU and its member countries achieve the emission targets within the scope of the Kyoto Protocol (Algan, 2011: 89). The Emissions Trading System (ETS), launched in January 2005, has become a crucial tool for EU's climate change strategy. As the first international trading system for carbon dioxide emissions, this program has become the driving force behind rapidly increasing carbon trading around the world. ETS, which includes EU-27 countries[1] and countries in the European Economic Area like Iceland, Norway and Liechtenstein, currently covers approximately 11,600 facilities from the energy and industrial sectors. The system has brought costs to these facilities, which are collectively responsible for nearly half of Europe's carbon dioxide emissions, through their emissions. (Algan, 2011: 90). The EU also made ETS regulations through directives and ensured harmony between this system and the mechanisms defined within the scope of the Kyoto Protocol. In line with the target of an 8% reduction by 2012 for EU-15 countries[2]; EU-27 countries reduced their total emissions by 10.8% between 1990 and 2006. In the 3rd implementation period of ETS (2013-2020), EU greenhouse gas emissions were predicted to be 20% less than 1990 levels by 2020 (Algan, 2011: 91-92).

The EU Green Deal, approved in 2020, is a set of policy initiatives by the European Commission aimed at making the European Union climate-neutral by 2050. The EU Green Deal is the comprehensive environmental initiative recorded by the EU, following national and international policies such as the Paris Agreement and the ETS. The European Green Deal focuses on important climate protection measures such as global warming and water sustainability. The Border Carbon regulation is designed to protect against carbon leakage and ensure that this process is adopted by its trading partners.

[1] EU 27 countries are Belgium, Denmark, Finland, Germany, Greece, Ireland, Spain, France, Italy, Luxembourg, Netherlands, Austria, Portugal, Sweden, England, Romania, Slovakia, Slovenia, Poland, Malta, Latvia, Lithuania, Hungary, Estonia, Czech Republic, Cyprus, Bulgaria.

[2] EU-15 countries are Belgium, Denmark, Finland, Germany, Greece, Ireland, Spain, France, Italy, Luxembourg, Netherlands, Austria, Portugal, Sweden and England.

Climate change and disruption are an existential threat to Europe and the world. To overcome these challenges, the European Green Deal aims to transform the EU into a modern, resource-efficient and competitive economy. The Green Deal aims to reach the goals of zeroing net greenhouse gas emissions by 2050, economic growth independent of resource use, and leaving no one and no place behind. The European Commission has adopted a set of proposals to align the EU's climate, energy, transport and taxation policy with reducing net greenhouse gas emissions by at least 55% compared to 1990 levels by 2030. The European Green Deal is financed with the budget from the Next Generation EU Recovery Plan (one-third of the €1.8 trillion) and the EU's seven-year budget (EC, 2024a). The Green Deal aims for a green EU with actions such as the Extended ETS, mandatory corporate reporting and the revision of the EU Energy Taxation Directive (PWC, 2022: 16).

The European Commission proposed to review the ETS with the "Fit for 55" package as part of the EU Green Deal on 14 July 2021 (EC, 2023). With this proposal, The Commission aims to revise the plans to reduce emissions from sectors subject to the EU ETS by the European Green Deal. It is planned to reduce emission allowance limits, distribute less free emission allowances and include the maritime sector in the ETS system. Additionally, it is planned to establish a separate emission system to cover buildings and road transportation. The Innovation and Modernization Fund created with the revenues from ETS will be expanded and member countries will be required to use ETS revenues for climate policies (Yeşil Büyüme, 2024a). The Fit for 55 package offers a new legislative package to EU member states with the publication of many new directives and the revision of previously published directives.

With an amendment made to the relevant Directive in 2018, a target was set to reduce emissions by 43% compared to 2005 by 2030. In addition, the annual emission reduction target of 1.74% was increased to 2.2%. As of 2021, it has been decided that 57% of carbon allocations will be sold by auction (Yeşil Büyüme, 2024a). According to the same change, sectors facing carbon leakage will be able to reach 100% of their free carbon allowances by 2030. Sectors with a low risk of carbon leakage will be able to benefit from 30% of free carbon allocations, provided that they are gradually reset to zero between 2026 and 2030. Increasing carbon fees over the years in the EU ETS put companies in countries that do not have such a carbon regime in an advantageous position. To protect EU producers, a Carbon Border Adjustment Mechanism (CBAM) proposal has been prepared. Article 6 of the Paris Agreement allows steps to be taken to increase communication and cooperation between emission trading systems, which will enable the transfer of carbon credits between countries. To protect against the negative effects of CBAM, the efforts of other countries, including Türkiye, to establish and strengthen their carbon regimes have increased significantly (Yeşil Büyüme, 2024a). According to 2021 data, there are 24 emission trading systems covering 16% of total greenhouse gas emissions worldwide. Planning and studies on the establishment of new emission trading systems continue in 22 countries (Yeşil Büyüme, 2024a). Flexibility mechanisms caused commercial concerns to increase instead of reducing carbon emissions and moved away from the purpose of ETS. Creating differences in global policies rather than policies that ensure harmony around the world reduces the effectiveness of climate policies. In addition to these negativities, the failure of countries with high carbon emissions, such as the USA, to fulfil global obligations renders global policies dysfunctional.

In addition to this dysfunction between countries, ETS is also perceived as an important market for multinational companies. While the value of this market was 10 billion dollars when it was established in 2005, it increased to 64 billion dollars in 2007. In 2008; the volume of the system in which 4 billion tons of carbon dioxide was sold reached 120 billion dollars. In 2020, carbon dioxide sales are expected to increase fourfold and reach 16 billion tons (Algan, 2011:103). With these figures, ETS serves to increase the profits of capital rather than solve global carbon problems. In fact, according to data from the US-based Climate Accountability Institute, 20 companies, including BP and Shell, produced greenhouse gases equivalent to 480 billion tons of carbon dioxide from 1965 to 2017, and 20 companies are responsible for one-third of global carbon emissions. This figure corresponds to 35 per cent of carbon emissions over the same period. Companies such as Chevron (43.35%), Gazprom (43.23%), ExxonMobil (41.90%), BP (34.02%), Royal Dutch Shell (31.95%), Total SA (12.35%) are among the top twenty companies in greenhouse gas production (BBC, 2024). EU multinationals continue to see ETS as a potential market rather than reducing greenhouse gas emissions.

Another green governance legislation of the EU is The European SME Strategy, published within the scope of the Green Deal. The strategy aimed to include in EU green governance the small and medium-sized enterprises operating in Europe (app. 23 million), which employ more than 80 million people and account for approximately half of Europe's GDP (EC, 2022: 1). SMEs are not only economically important, but also environmentally important. Although their individual effects are small, their cumulative effects on the environment are significant. The SME Strategy covers SMEs to achieve the EU's other green goals and aims to create a resource-efficient and agile digital economy by mobilizing European SMEs in industrial sectors.

Ipsos European Public Affairs conducted research in 2021 covering 27 Member States of the EU, Türkiye, Albania, North Macedonia, Serbia, Montenegro, Iceland, Norway, Moldova and the US. The research covered more than 17,500 SMEs and large companies (EC, 2022: 1). The research shows that SMEs mostly work on waste reduction and energy saving in terms of resource efficiency. According to the research, while most SMEs work to increase resource efficiency, 10% of them do not take any action regarding resource efficiency. According to 2017 data, the resource efficiency of SMEs decreased from 11% to 9% (EC, 2022: 2-3). Research shows that 72% of SMEs have not yet calculated their carbon footprint and have no plans to reduce carbon emissions (EC, 2022:4). 34% of SMEs defined the obstacles to their adaptation to green transformation as the complexity of administrative and legal procedures (EC, 2022:4). While 24% of SMEs prefer to receive external assistance to comply with EU green policies, 64% of SMEs rely on their financial resources to adapt to green governance challenges and 54% prefer to move forward with their technical expertise (EC, 2022: 5). The research shows that Dutch (45%), Austrian (44%) and Swedish (43%) SMEs rank high in having green products, which are defined as products that reduce environmental risk. On the other hand, Greece (25%), Ireland (27%) and Romania (30%) are among the countries that have not yet offered green products, although they are in their two-year plans (EC, 2022: 7).

The EU Green Deal Survey Report published in 2022 shows that 49% of companies are prepared for the EU Green Deal, 66% have allocated resources for sustainability, and 51% will arrange their supply chains shortly. On the other hand, the same research; shows that 60% of companies are not familiar with the EU Green Deal, many of them lack organizational skills to adapt and will suffer from coordination difficulties. It seems that companies are unprepared, especially in transportation, production and water consumption, and many companies have not taken any steps to switch to cleaner energy sources (PWC, 2022: 3). According to these studies, it seems that the EU has a long way to go in terms of reducing emissions and saving water.

Another new legislation of European green governance is the EU Taxonomy. Taxonomy aims to create an environmentally sustainable investment environment. Taxonomy aims to raise awareness of contributing to one of the EU's environmental goals and not harming any of them. The Taxonomy Regulation, which is expected to contribute to the EU Green Deal, is not mandatory. The regulation aims to develop investments that will contribute to the prevention of climate change and zero target of investments throughout the EU. Taxonomy, which is also expected to prevent greenwashing, encourages the financing of sustainable projects. EU Taxonomy principles are; climate change mitigation, climate change adaptation, transition to a circular economy, sustainable use and protection of water and marine resources, pollution prevention and control and protection and restoration of biodiversity and ecosystems. The Taxonomy Regulation sets out four overarching conditions which are; doing no harm to environmental objectives, making a contribution to at least one objective, complying with with the technical screening requirement set out in the Taxonomy delegated acts (EC, 2024b).

The EU's climate and environmental policies listed above are a general framework that determines environmental problems and sets goals that will provide solutions to these problems. Considering the global targets and realizations, it can be seen that the EU's environment policy is focused on the goal and evaluate the result. EU economy greenhouse gas emissions decreased by 5.3% in 2023. In the second quarter of 2023, 21 EU member countries managed to reduce their emissions compared to 2022. The countries that provided the most emission reductions were Bulgaria (-23.7%), Estonia (-23.1%) and the Netherlands (-10.3%). Malta (+7.7%), Latvia (+4.5%), Ireland (+3.6%), Lithuania (+3.0%), Cyprus (+1.7%) and Croatia (+1.0%) are the countries with increasing emissions. Among these countries, Malta (+3.9%), Croatia (+2.6%), Cyprus (+2.2%) and Lithuania (+0.7%) increased their GDP (EUROSTAT, 2023). 10 of the 21 countries that reduced emissions the most (Estonia, Luxembourg, Hungary, Austria, Sweden, Czechia, Poland, Germany, Finland and the Netherlands) experienced a decrease in GDP. Italy has managed to keep its GDP the same as 2022 while reducing emissions (EUROSTAT, 2023). Denmark, France, Belgium, Slovenia, Slovakia, Bulgaria, Portugal, Spain, Romania and Greece experienced an increase in their GDP while reducing their emissions. These figures reveal the difficulty of climate action targets for country economies. Although it is not valid for all countries, many countries have experienced GDP loss while reducing emissions (EUROSTAT, 2023).

4. CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

Within the scope of the EU Green Deal, requirements regarding financial and non-financial sustainability are determined. Corporate citizenship is defined as how a company exercises its rights, obligations, privileges and overall corporate responsibility in local and global environments. The EU is creating a legal framework to expand the concept of corporate citizenship and ensure companies' compliance with environmental obligations. The Corporate Sustainability Reporting Directive (CSRD) no. 2022/2464, the Non-Financial Reporting Directive (NFRD) no. 2014/95 and the Sustainable Finance Disclosure Regulation (SFDR) no. 2019/2088 are the legislation published in this field.

The Non-Financial Reporting Directive, which came into force in 2014, was published within the scope of the Renewed EU strategy for Corporate Social Responsibility. The strategy aims to improve the consideration of environmental, social and governance (ESG) issues by European (financial and non-financial) companies. The EU defines corporate social responsibility in two ways. The first dimension focuses on companies "behaving in an accountable, transparent and responsible manner". The second dimension defines increasing the contribution of companies to "the interests of society and the path to sustainable development and inclusive recovery". NFRD aims to increase the transparency of institutions' ESG performances and identify sustainability risks (WPSF, 2021: 2).

With increasing negative impacts of some companies on the environment, sustainable finance is also a major concept for the sustainable development (Gaweda, 2021: 41). While global organizations take sustainability and finance studies to different dimensions, shifting capital flows towards mitigating climate change was determined as a clear priority for the Paris Agreement in December 2015 (WPSF, 2021: 2-3). The effects of finance on climate change and sustainability were taken into account by the EU in the 2018 Action Plan on Financing Sustainable Growth and the European Green Deal and priorities were determined to support sustainable investment and develop a sustainable finance system. These priorities include managing sustainability risks and ensuring the transparency and sustainability of long-term financial and economic actions (WPSF, 2021: 3).

Today, sustainability and non-financial reporting obligations of institutions continue to increase. Not only the European Commission but also many global, regional and national organizations such as the European Central Bank expect companies to determine ESG targets, calculate sustainability risks and report. However, these corporate non-financial disclosures bring with them many difficulties. These challenges include incomplete data, lack of comparability and standardization, and lack of accessibility and reliability (WPSF, 2021: 2). In addition to the obligation of companies to meet the demands of EU institutions, they also have to comply with the rules set by global and national organizations. It is likely that SMEs, especially those experiencing difficulties in complying with the EU Green Deal, will encounter many problems regarding NFRD and sustainability. Considering the studies carried out by the EU in this context, such as the Guidelines on the Reporting of Climate-Related Information, it appears that EU green governance has had a limited impact so far. NFRD also does not appear to meet the current justifications behind the need for corporate non-financial disclosures (WPSF, 2021: 3).

NFRD requires companies within its scope to disclose information on environmental and social issues. The NFRD covered the EU's large public interest companies (i.e. listed companies, credit institutions, insurance companies) and public interest organisations, which are the parent companies of a large group. Companies with a balance sheet total exceeding 20 million euros, or a net turnover of more than 40 million euros and companies with more than 500 employees, were expected to report in 2018. According to the European Commission, 11,700 organizations are covered by NFRD. NFRD introduced the concept of double materiality to determine how sustainability issues affect company performance (outside-in perspective) and the impact companies have on people and the environment (inside-out perspective).

When NFRD reporting was examined, it was seen that there was resistance to reporting among companies, and reporting companies did not include the information needed by users such as credit institutions or other stakeholders in their reports (Cleary Gottlieb, 2021:2). Research determines that the major majority of European stock companies did not provide ESG performance information, on the other side companies that reported non-financial information accounted for the majority of net sales and market value of listed companies in Europe. The analysis findings also show the lack of accountability in sustainability reporting. The research confirms that a broader group should be covered by NFRD requirements in the future (Gaweda, 2021: 42). Very few companies have reported on sustainability risks. It is also not possible to measure the reliability of these reports and compare the information contained in the reports (Cleary Gottlieb, 2021: 2).

There is a progress in the transparency of sustainability reporting, but analysis by the EU reveals that this reporting remains still inadequate for achieving the goals of sustainability. There are gaps on sustainability issues, such as greenhouse gas emissions and negative impacts on biodiversity. Some companies have not published sustainability reports at all. In published reports, the suitability, reliability and comparability of the information is limited. The EU Action Plan on Financing Sustainable Growth was adopted to eliminate these items. Although the Commission has also published guidelines on reporting non-financial information, sustainability information in the reports of the included categories of companies are not qualified (Odobaša and Marošević, 2021: 597).

The EU Action Plan on Financing Sustainable Growth, Disclosure Regulation and Taxonomy Regulation were adopted to promote transparency and to determine the actions to change the sustainable management of financial risks. In 2018, the European Commission adopted the EU-wide Sustainable Finance Action Plan to clarify the global sustainability transition, including the Paris Agreement targets on climate change. In 2019, this plan gained a schedule within the EU Green Deal. This plan is thought to be effective in making Europe climate-neutral by 2050.

Starting from 2021, the Sustainable Finance Disclosure Regulation (SFDR) has been implemented throughout the EU. This legislation obliged the financial services sector to publish transparently and made it mandatory to share information about sustainable finance. These reports were expected to increase the transparency of the financial sector. The legislation focuses on sustainability and aims to direct investment capital towards companies with high ESG scores. In its preliminary assessment of 2019, the European Commission predicted that an additional annual investment of 260 million EUR, or approximately 1.5 per cent of the European GDP in 2018, should be allocated by 2030 to achieve the targets in the field of climate and energy (Odobaša and Marošević, 2021: 598-599).

Despite all efforts regarding sustainability reporting, the EU felt the need to revise the NFRD due to the negativities listed above and the inadequacy of its implementation, and in 2021, the European Commission published the Corporate Sustainability Reporting Directive (CSRD), its latest legislation on sustainability. The CSRD reviews and expands the scope of the Non-Financial Reporting Directive (NFRD). The CSRD also amends four existing EU legislation (Accounting Directive, Transparency Directive, Audit Directive and Audit Regulation). The scope of application of the CSRD has been extended to all large companies and companies traded on regulated markets, excluding listed micro companies.

With the CSRD, sustainability reporting will become mandatory as of January 1, 2024, for companies with more than 500 employees and in the covergare of the non-financial reporting directive. The same obligation will start as of January 1, 2025, for companies with more than 250 employees and/or a turnover of 40 million euros and not subject to the non-financial reporting directive. The reporting obligation for SMEs will be valid as of January 1, 2026. EU member states will be given 18 months to integrate CSRD into their national laws. Non-EU companies listed on EU stock exchanges will be required to report under the CSRD before 2028. Other non-EU companies are expected to report after 2028. The first criterion for non-EU companies is to have a net turnover of more than 150 million euros in the last two years. Secondly, it will be necessary to have a large subsidiary in the EU or a branch with a turnover of more than 40 million euros (Yeşil Büyüme, Growth, 2024b).

The CSRD extends EU provisions on sustainability reporting to all large and all listed companies. This means around 50,000 companies in the EU will have to comply with detailed standards for sustainability reporting. This figure is far more than the previous figure (11,000). The Commission proposes to develop standards for large companies and separate, proportionate standards for SMEs that non-listed SMEs can apply voluntarily (Yeşil Büyüme, 2024b).

CSRD is based on consolidated statements in group reporting and expands the scope of target companies (Cleary Gottlieb, 2021: 3). Audit is required for reported sustainability information and CSRD requires reporting to comply with European Sustainability Reporting Standards (ESRS). CSRD reporting will also require double materiality, like NFRD reporting. With CSRD, the EU aims to be a pioneer in global sustainability reporting standards. Under the CSRD, companies will be required to set ESG targets and publish their progress towards these targets annually. With CSRD, sustainability will become mandatory, not optional. Companies will need to integrate sustainability into their long-term vision and strategies. As part of their implementation plans for the transition to a sustainable business model, companies will also need to report on the steps to be taken to limit global warming to 1.5 degrees in line with the Paris Agreement and achieve climate neutrality by 2050 (Yeşil Büyüme, 2024b).

Companies will include relevant information in a separate sustainability report and include it in their annual report. It will be mandatory for reports to be available digitally. Companies will also need to obtain third-party assurance on their CSRD statements. While the NFRD does not require an audit, the CSRD requires an audit or assurance of non-financial statements. Reporting will be certified by an accredited independent auditor. Reporting by non-European companies will need to be approved by either a European auditor or an auditor based in a third country (Cleary Gottlieb, 2021:3).

The European Financial Reporting Advisory Group (EFRAG) published ESRSs in December 2023, just before the CSRD entered mandatory implementation in January 2024. However, the fact that the transition to the ESRS system is new and these standards are still at the draft stage raises questions for companies. Organizations that prepare standards like GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board), which have been used in sustainability reporting for years, have also started to carry out the necessary work on their databases and standards to ensure compliance with ESRS.

Despite such preparations, it is not possible to say that everything is clear for companies. In addition to the resistance and problems experienced during the NFRD period, the CSRD period also brought with various uncertainties. The uncertainty of reporting for ESRS standards and the lack of a comprehensive explanation of what needs to be done regarding auditing and scoring in the Directive text raises questions about how reporting will be made and audited. The European Commission is expected to regulate the system with additional regulations, but the reporting period has started and the time and scope of these regulations are not certain.

In addition to these negativities, differences in national practices will also increase the difficulties for EU candidate countries and companies of countries in the enlargement process. For example, Türkiye has decided to base itself on Turkish Sustainability Reporting Standards (TSRS) apart from ESRS standards. It will require reporting by two systems for companies operating in Europe. In this case, it is not clear whether companies will report both ESRS and TSRS in a single report or whether they should prepare two separate reports. Such situations require companies to adapt to different reporting standards and systems and constantly monitor their updates. Sustainability reporting will require companies to allocate extra financial, labour and human resources.

In addition to these formal problems in reporting, there are uncertainties about how companies will determine their ESG impacts, and how they will minimize their negative impacts. The legislation highlights the principle of reporting and the benefit to nature and society is attributed to the concept of double materiality. As in NFRD, double materiality is required in CRSD reporting. Double materiality expands the scope and increases the complexity of reporting (Odobaša and Marošević, 2021: 597). In addition, since double materiality is left to the initiative of companies, as in other elements of reporting, risks such as not declaring possible harm to nature may occur. CSRD, as in NFRD, leaves the accuracy, comparability of the information in the reports and the achievement degree of the determined targets to the declaration of the companies. It is debatable how much CSRD, with its elements, will contribute to achieving Europe's sustainability goals.

On the other hand, according to a survey conducted by McKinsey and Company (2014), the share of CEOs who choose sustainability as their priority has doubled since 2012, and more than a third of these CEOs list sustainability among the top three items on their agenda. The survey shows that the motivation behind sustainability concern is not just reputation risk (36 per cent) and cost reduction (26 per cent), but the majority of CEOs (46 per cent) are trying to align sustainability with the overall business. Research shows that even companies with high financial sustainability investments earn good returns from their stocks with the help of their sustainability efforts (ECONSTAR, 2017: 15). Another study conducted in Portugal shows that companies with large boards and CEO duality are more familiar with CSRD requirements. Board size, company size and having an audit committee make companies pay more attention to ESG obligations. In line with these results, it is possible to say that social pressure and stakeholder incentives help companies focus on a wide range of beneficial activities (Dias, Lima Rodrigues and Craig, 2017: 4). It would not be wrong to say that large companies with technological superiority will also comply with ESG requirements for innovative products. On the other hand, the production of environmentally friendly products such as electric vehicles increase the market share of these companies. Therefore, for large companies, complying ESG requirements in their products and even producing environmentally friendly products will increase their competitiveness (Schrettle, et al., 2014: 75).

Sustainability efforts require institutional understanding. In addition to the sustainability objectives of countries and regions, it is important for each institution to determine its approach to sustainability and its own policies on this issue (Lin, 2021: 455).

While this is the situation for large companies, the situation is slightly different for SMEs. The contribution of SMEs, which constitute approximately 99% of the country's businesses, to the country's GDP, reaches from 30% (e.g. Brazil, India) to 60% (e.g. China, Indonesia, etc.) (ECONSTAR, 2017: 14). SMEs, which have such an important place in global and national economies, also have a high impact on global sustainability. Although it is extremely important for SMEs to fulfil global obligations and contribute to the UN SDGs, these obligations will bring burdens such as cost, human resources and labour allocation to SMEs. The responsibilities that SMEs, especially those operating in Europe, will undertake in the future within the scope of the EU Green Deal and CSRD require preparation and follow-up today. Following CSRD legislation and fulfilling CSRD responsibilities such as reporting, auditing and scoring will mean additional workload and cost for SMEs. Differences in national legislation and compliance of countries (like in Türkiye) can also be considered as other problems awaiting SMEs. Also, the adequacy of SMEs' resources to achieve ESG targets is open to discussion. It seems hard for SMEs to achieve their ESG targets with their existing resources.

Another issue that will challenge SMEs is the use of international standards to comply with ESG standards. ISO management systems standards, with their expanding range from ISO 9001 to ISO 26000, make implementation and compliance difficult. Although organizations develop their quality infrastructure with these standards the implementation and certification costs that these standards bring to companies affect the preference of these standards (ECONSTAR, 2017: 19). Many companies that have implemented ISO management systems for many years focus only on documentation rather than ensuring continuous improvement of corporate quality. This causes ISO certification to lose its soul. A similar danger may exist for sustainability reporting. Even in the current situation, global environmental obligations and EU environmental policies, which include a comprehensive legislative package, impose many burdens on regulatory compliance, reporting, auditing, monitoring and scoring, not only for SMEs but also for all companies of all sizes. It is not clear how much this load will contribute to emission values and environmental improvement. The contribution of sustainability reporting to global environment goals and UN SDGs, especially greenhouse gas emissions, can be measured in the first period of CSRD reporting and afterwards.

5. CONCLUSION

The environmental policies implemented by the UN since the 1980s whose global scope is constantly expanding can be described as the most comprehensive effort in the field of green governance. Covering hundreds of countries and thousands of organizations, the UN invites countries and organizations to comply with environmental targets through global obligations such as the Kyoto Protocol, Paris Agreement, UN SDGs and UN Global Compact. Although there are well-intentioned efforts in this context, the failure of the USA and China, the world's largest emitters, to fully comply with these global obligations leaves half of the problems unsolvable. For weak stakeholders such as developing countries and SMEs, these processes are defined as very comprehensive and large to comply with. Multinational companies often use these global obligations to expand their market share by increasing corporate reputation. Thus, global goals whose realization rate does not even reach 50% are waiting for the 2030 Agenda. While all these goals are expected to be realized, as Rosen said about the Kyoto Protocol, we are losing the most irreplaceable thing for humanity, time (2015: 44).

While EU initiatives such as the EU Green Deal and Taxonomy Regulation have expanded the scope of European green governance, sustainability-related green governance policies have come to the fore in recent years and ESG targets have become indispensable for countries and organizations. It is thought that sustainability studies will provide many benefits such as market access, establishing a solid relationship with buyers, increase in sales, transparency and compliance with environmental requirements, increased productivity and compliance with legislation. In this context, the EU has created a sustainable finance package and planned policies that will increase the efficiency of capital markets and support green finance (WPSF, 2021: 2). The success of these policies depends on the consistent implementation of these policies by the 27 EU countries.

The EU has made non-financial reporting and the use of ESGs mandatory through different directives published within the scope of sustainability. NFRD and CSRD are intended to improve accountability, contribute to sustainable development and create a database on sustainability (WPSF, 2021:3). However, apart from EU reporting, the expectations of other EU institutions, global and national organizations in this field were the first problems companies encountered in sustainability reporting. Other difficulties experienced in this context include incomplete data, lack of comparability and standardization, and lack of accessibility and reliability. The legislation issued by the EU to help solve these problems makes the system even more complex.

There is resistance among companies against sustainability reporting, reporting companies do not include the information needed by users such as credit institutions or other stakeholders in their reports, very few companies report on sustainability risks, it is difficult to measure the reliability of the reports, and the information in the reports is not comparable. This suggests that the same problems will occur. Although there has been a progress in the transparency of sustainability reporting, analysis by the EU reveals that this reporting remains inadequate. Gaps have been identified on some remarkable issues like greenhouse gas emissions and negative impacts of biodiversity.

Wu and Pagell state that while the need to protect the environment and increasing demands for natural resources force companies to reconsider their business models, supply chain operations also require restructuring (Wu and Pagell, 2011: 577). Applying sustainability conditions to companies' supply chains will help CSRD achieve its goal. However, this does not seem easy even for large companies. For companies to include other companies in their supply chains in their ESG targets and sustainability reports, these companies they work with must also have ESG targets and act with sustainability awareness. It seems very difficult to meet these requirements for all companies in the chain.

Another issue that raises a question mark is that there are many sustainability standards already published. ESRS, mandated by the EU, have been added to standards such as GRI and SASB used in sustainability reports. Within the scope of CSRD, it remains unclear for companies how the interoperability of all these standards will be ensured and according to which system reporting should be made. It is expected that all these gaps will become clear in the coming days and the EU will issue new regulations such as auditing and scoring.

Different sustainability and ESG conditions demanded by EU institutions such as the European Central Bank forced both countries and companies to comply with more than one reporting system. In addition to these negativities, differences in national practices will also pose problems for countries and organizations. Integration of countries into national systems, as well as the rules of organizations such as the UN and the EU, are among the issues that will challenge companies. Since there will be sanctions for not complying with these obligations, the integration of companies into all national, regional and global systems is mandatory. Sustainability reporting will require companies to allocate extra financial, labour and human resources.

In addition to these formal problems in reporting, there are also uncertainties about how companies will determine their environmental, social and governance impacts, and how they will increase their positive impacts or reduce their negative impacts. On the other hand, it should be noted that CSRD and ESG reporting alone do not make companies a sustainable entity (Gaweda, 2021: 51). It is debatable how much CSRD, with its elements, will contribute to achieving Europe's sustainability goals.

It is necessary for SMEs to determine the responsibilities they will assume in the future within the scope of the EU Green Deal and CSRD. Obligations such as following the legislation to be published to complete the CSRD and the legislation within it, fulfilling the requirements within the scope of the CSRD, reporting, auditing and scoring will mean additional workload and costs for SMEs. The increase in the number of ISO management systems (e.g. ISO 9001, ISO 14001, ISO 26000) and the fact that certifications in this field have begun to be seen as documentation for companies over the years create the same concerns for CSRD. Following and ensuring compliance with European sustainability practices such as Taxonomy, NFRD, CSRD, auditing and scoring will create a serious workload for companies. This workload and cost will be especially challenging for SMEs. It seems that the current load will increase further as directives regarding verification, audit and scoring begin to be published. While UN and EU green governance is expected to create business opportunities for SMEs, SMEs are left with a legislative package to comply with and many resources to be allocated for this. It is debatable how much CSRD, with its elements, will contribute to achieving Europe's sustainability goals. The contribution of sustainability reporting to global environmental goals and UN SDGs, especially greenhouse gas emissions, can only be measured during and after the first period of CSRD reporting. Despite these negativities, CSRD will contribute to the creation of a database for the future and increase the sustainability experience of countries and the EU.

Governments that think about the future and value natural resources will always gain prestige. However, problems such as the lack of adoption of global efforts by major countries, the multi-legislative structure, and the fact that the determined policies do not provide concrete solutions to environmental problems and reduce the effectiveness of global green governance. While green governance is presented as a great favour, it becomes a burden on the shoulders of developing countries and SMEs.

Global green governance offers a legal framework and comprehensive solution processes to produce global solutions to environmental problems and prevent possible risks. These policies have very important starting points such as respect for basic human rights, respect for nature and acting with future generations in mind. However, it is difficult to say that the global green governance efforts carried out so far have fully reciprocated in environmental, social and economic life. The environment is damaged because global policies determined for climate change and related problems cannot be fully implemented. To prevent this and ensure the effectiveness of global policies, developed countries need to support developing countries and fulfil the obligations of polluters with large greenhouse gas emissions, especially the USA and China. Multinational companies should also be held responsible for their emissions and should be ensured that they see flexibility mechanisms as measures to protect nature rather than a commercial activity. Finally, instead of publishing new legislative packages, increasing the effectiveness of existing regulations and supporting parties such as developing countries and SMEs to adapt to these policies will be a blessing for green governance. Otherwise, global governance efforts will remain a burden.

BIBLIOGRAPHY

Algan, F. M. (2021), Ortaklaşa Yönetişim-Uluslarötesi Kuruluşların Politika Yönlendirmesi, *Mülkiye*, 45(3), ss.793-832.

Algan, F. M. (2011), Emisyon Ticareti Sistemini Kim Yönetiyor?, *Mülkiye*, S.25(273), ss.81-107.

Bhagwati, J. and Mavroidis P. C. (2007), Is action against US exports for failure to sign Kyoto Protocol WTO-legal?, *World Trade Review 6*, 2, ss.299-310.

BBC (2019), Küresel Karbon Emisyonlarının Üçte Birinden 20 Şirket Sorumlu, BBC Corporate Web Page (E-News), 10 Ekim 2019, https://www.bbc.com/turkce/haberler-dunya-50001565 (01.03.2024).

Clark, W. (2000), Environmental Globalization, Governance in a Globalizing World (Ed. J. S. Nye, J. D. Donahue), Brookings Inst Publisher, Washington D.C. (US), ss.86-108.

Cleary Gottlieb (2021), The Corporate Sustainability Reporting Directive: From "Non-Financial" to "Sustainability" Reporting, Cleary Gottlieb Steen & Hamilton LLP, ss.1-7, https://www.clearygottlieb.com/-/media/files/alert-memos-2021/the-corporate-sustainability-reporting-directive.pdf (23.02.2024).

Clemençon, R. (2016), The Two Sides of the Paris Climate Agreement: Dismal Failure or Historic Breakthrough?, *Journal of Environment & Development*, Vol. 25(1), ss.3-24.

Dias, A., Lima R., L. and Craig, R. (2017), Corporate Governance Effects on Social Responsibility Disclosures, *Australasian Accounting, Business and Finance Journal*, 11(2), ss.3-22.

EC-EUROPEAN COMMSSION (2022), Summary, SMEs, Green Markets and Resource Efficiency, EC Press, (Brussels).

EC-EUROPEAN COMMSSION (2023), What is the EU ETS?, European Commssion Corporate Web Page, (undated), https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/what-eu-ets_en#a-cap-and-trade-system (21.02.2024).

EC-EUROPEAN COMMSSION (2024a), The European Green Deal, European Commssion Corporate Web Page, (undated), https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en (23.02.2024).

EC-EUROPEAN COMMSSION (2024b), EU Taxonomy for Sustainable Activities, European Commssion Corporate Web Page, (undated), https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en (10.02.2024).

Econstar (2017), Drivers and Constraints for Adopting Sustainability Standards in Small and Medium-Sized Enterprises (SMEs), Discussion Paper Press, (Brussels).

Estrada, F. and Botzen, W. J.W. (2021), Economic impacts and risks of climate change under failure and success of the Paris Agreement, *Annals of The New York Academy of Sciences*, Special Issue: The Year in Climate Science Research, ss.95-115.

Eurostat (2023), EU Economy Greenhouse Gas Emissions:-5.3% in Q2 2023, Eurostat Corporate Web Page, 15 November 2023, https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20231115-1#:~:text= In%20the%20second% 20quarter%20of,of%20CO2%2Deq (10.02.2024).

Gaweda, A. (2021), Sustainability Reporting: Case of European Stock Companies, *European Journal of Sustainable Development*, 10, 4, ss.41-53.

GCP (2022), Global Carbon Atlas, GCA Corporate Web Page, (undates), https://globalcarbonatlas.org/emissions/carbon-emissions/ (08.03.2023).

Güler, B. A. (2003), Yönetişim: Tüm İktidar Sermayeye, *Praksis*, 9, ss.93-116.

Lemos, M. C. and Agrawal, A. (2006), Environmental Governance, *Annual Review Environmental Resources*, S.31, ss.297–325.

Lin, B. C. (2021), Institutional Failure and Sustainability Policy, *Journal of Economic Issues*, 55:2, ss.454-460.

Mazlum, S. C. (2019), Küresel İklim Politikaları, T.C. Çevre ve Şehircilik Bakanlığı Yayını (İklim Değişikliği Eğitim Modülleri Serisi), Ankara.

Odobaša, R. and Marošević, K. (2021), Expected Contributions of the European Corporate Sustainabiliy Reporting Directive (CSRD) to the Sustainable Development of the European Union, *UDK*, S.338(2), ss.502.131.1(4-67EU).

PWC (2022), Are Europe's Businesses Ready for the EU Green Deal? EU Green Deal Survey Report, PWC Corporate Web Page (E-Report), (undates), https://www.pwc.com/gx/en/services/tax/publications/are-europes-businesses-ready-for-the-eu-green-deal.html (08.03.2024).

Rosen, A. M. (2015), The Wrong Solution at the Right Time: The Failure of the Kyoto Protocol on Climate Change, *Politics & Policy*, Volume 43, No. 1, ss.30-58.

Schrettle, S. Hinz, A. Scherrer R. M. and Friedli T. (2014), Turning sustainability into action: Explaining firms' sustainability efforts and their impact on firm performance, *Int. J. Production Economics*, 147, ss.73-84.

Smith, H., Dıscettı, R. Bellucci, M. and Acutı, D. (2022), SMEs Engagement with the Sustainable Development Goals: A Power Perspective, *Journal of Business Research*, https://pure.port.ac.uk/ws/portalfiles/portal/52101445/SMEs_engagement_with_the_Sustainable_Development_Goals_a_power_perspective.pdf (08.03.2023).

Un-Unıted Natıons (2015), Sustainable Development Goals, UN Corporate Web Page, (undates), https://sdgs.un.org/goals (08.03.2024).

Un-Unıted Natıons (2023), UN Global Compact, UN Corporate Web Page, (undates), https://unglobalcompact.org/what-is-gc (08.03.2024).

WPSF (2021), What Information is Relevant for Sustainability Reporting? The Concept of Materiality and the EU Corporate Sustainability Reporting Directive, Policy Brief, Sustainable Finance Research Platform, (undates), https://wpsf.de/en/publikation/pb-7-2021-what-information-is-relevant-for-sustainability-reporting-the-concept-of-materiality-and-the-eu-corporate-sustainability-reporting-directive/ (08.03.2024).

Yeşil Büyüme (2024a), Emisyon Ticareti Sisteminin Gözden Geçirilmesi, Yeşil Büyüme Corporate Web Page (E-Article), (undates), https://yesilbuyume.org/emisyon-ticaret-sisteminin-gozden-gecirilmesi/ (01.03.2024).

Yeşil Büyüme (2024b), Zorunlu Sürdürülebilirlik Raporlamasına İlk Adım: Kurumsal Sürdürülebilirlik Raporlama Direktifi, Yeşil Büyüme Corporate Web Page (E-Article), (undates),https://yesilbuyume.org/zorunlu-surdurulebilirlik-raporlamasina-ilk-adim-kurumsal-surdurulebilirlik-raporlama-direktifi/ (01.03.2024).

World Bank (1989), Sub-Saharan Africa Report, Washington DC.

Wu, Z. and Pagell, M. (2011), Balancing priorities: decision-making in sustainable supply chain management, *Journal of Operations Management*, 29 (6), ss.577–590. The EU Legislation

The EU Legislation

Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, An SME Strategy for a sustainable and digital Europe COM/2020/103 final.

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A Renewed EU Strategy 2011-14 for Corporate Social Responsibility.

Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions. Action Plan: Financing Sustainable Growth.

Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions.

Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 Amending Directive 2013/34/EU as Regards Disclosure of Non-Financial and Diversity Information by Certain Large Undertakings and Groups.

Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 Amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as Regards Corporate Sustainability Reporting (Text with EEA Relevance).

Regulation (EU) 2019/2088 of the European Parliament and of the Council.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088