

EU CSRD Regulation 2023

Effective: January

Overview

The European Union's Corporate Sustainability Reporting Directive (CSRD) aims to improve and standardize sustainability reporting across the EU. This regulation builds upon the existing Non-Financial Reporting Directive (NFRD), ensuring that companies provide detailed and comparable data on their sustainability performance.

Key Highlights

Detailed Reporting: Companies must report on a wide range of ESG (Environmental, Social, and Governance) factors, including their impact on the environment, social matters, and governance.

Double Materiality: Requires reporting on how sustainability issues affect the company and how the company's activities impact society and the environment.

Audit and Assurance: Introduces mandatory auditing of reported sustainability information, ensuring accuracy and reliability.

Value chain integration: Coverage of the entire value chain and implementation of due diligence procedures to address their indirect impact.

Applicability: CSRD applies to a larger number of companies, including all large companies and all listed companies on EU-regulated markets.

Reporting Timeline:

2024	2025	2026	2027
Large public-interest entities already subject to the Non-Financial Reporting Directive (NFRD).	Lage companies not currently under NFRD. Meeting at least two of the following criteria: <ul style="list-style-type: none">• More than 250 employees• More than €40 million in net turnover• More than €20 million in total assets	Listed small and medium-sized enterprises (SMEs), small and non-complex credit institutions, and captive insurance undertakings.	Non-EU companies with a net turnover over €150 million in the EU and which have at least one subsidiary or branch in the EU.

Benefits

- Reduce systemic risks related to climate change and other sustainability topics mostly human rights.

- Change capital flows and ensure that more investments are made in sustainable activities.
- Increase the responsibility of issues relating to their impacts on society and the environment.

For more detailed information please visit:

https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en