

CSRD

What does it mean for my business?

What is it?

The Corporate Sustainability Reporting Directive (CSRD) is the new EU legislation requiring all large companies and listed SMEs to publish regular reports on their environmental and social impact activities.



Timeline

CSRD reporting will start in 2025, reporting FY2024 data for companies within scope of CSRD and currently reporting on NFRD.



Reporting

The CSRD is a reporting legislation that builds on the current Non-financial Reporting Directive (NFRD). It requires additional disclosures such as scope 3 emissions, double materiality and alignment with EU taxonomy.



Companies

All large companies operating in the EU, meeting at least 2/3 criteria:

- >250 employees
- €40 mill turnover
- €20 mill assets

Why is it important?



- Legally required: Non-compliance with CSRD can lead to substantial penalties.
- Assists your customers, investors, and stakeholders in assessing your non-financial performance, enhancing transparency for all involved.
- Promotes and showcases progress toward sustainability goals, while securing a competitive advantage through excellence

50,000

Companies in the EU will be affected by the CSRD



Carbon reporting on scope 1, 2, and 3 will be an important element of the CSRD reporting requirements. Scope 3 emissions, often a significant part of a company's output, are difficult to accurately identify.



Industry specific standards are being developed by European Financial Reporting Advisory Group (EFRAG) to guide CSRD implementation. These will be developed over a multi-year period from 2023-2025.