

# Corporate Sustainability Reporting Directive



New EU regulation that issues mandatory sustainability reporting for large companies

## Goals



Businesses create transparency and gain insight about sustainability (performance) through analysis and benchmarking



Broaden scope of sustainability management to include sustainability risks and opportunities



To develop a strategy to improve on sustainability

## Applicability

Companies that meet two of the following requirements:



250 employees



€40M turnover



€20M total assets

EU listed companies



(except listed micro-enterprises)

## What is expected?

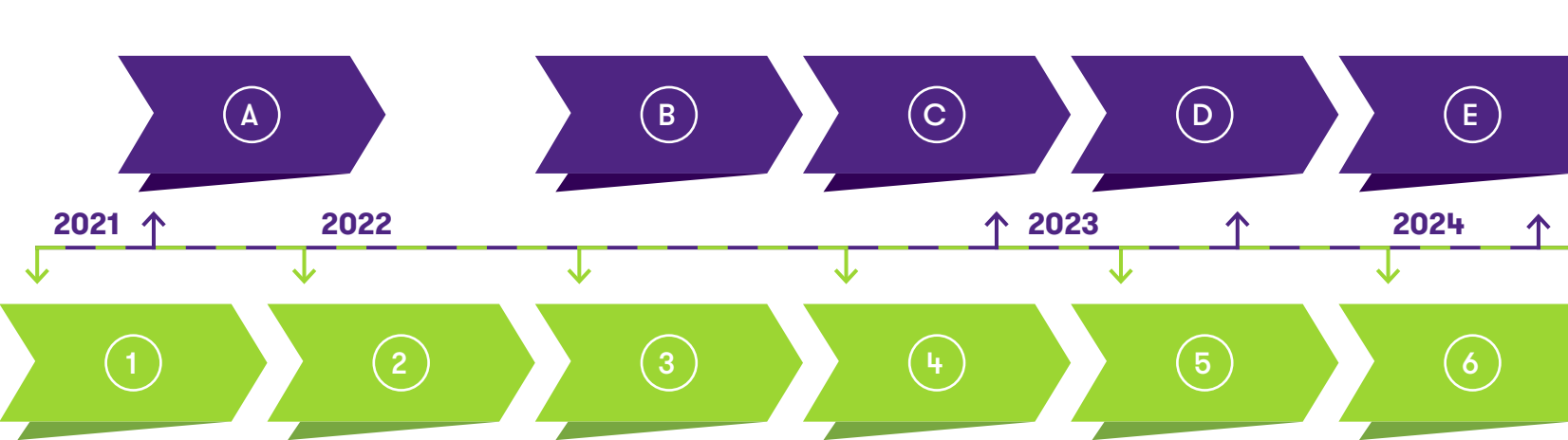


- ✓ **Report annually on material sustainability topics, relating to, as a minimum, environmental, social and employee matters, diversity in company board, respect for human rights, anti-corruption and bribery matters.**  
  
For material topics, disclose strategy, governance, policies, processes, systems, KPIs, results and targets
- ✓ **Double materiality concept: Potential financial impact on the company as a result of sustainability risks and opportunities + impact of company on people and planet**
- ✓ **Disclose information about sustainability risks and principle adverse impacts, including in your value chain, and your due diligence process with suppliers to mitigate these**
- ✓ **Process to select material topics for stakeholders**
- ✓ **Reporting in line with Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy Regulation**
- ✓ **Forward looking information, including targets and progress thereon**
- ✓ **Inclusion in the Management Report**
- ✓ **Mandatory independent third-party assurance; limited level of assurance**
- ✓ **Digitally tag information so it is machine-readable and feeds into European single access point**

## Deadlines and steps to be taken

- A April 21, 2021**  
CSRD proposal published
- B June 2022**  
Draft of first set of standards and indicators
- C December 01, 2022**  
Adoption of CSRD in member state's legislation
- D October 31, 2023**  
Second set of standards and indicators (for FY 2024)
- E Early 2024**  
Deadline for audited report including information as required under CSRD

Deadlines and publications from European Commission



Steps to take to ensure CSRD-readiness in 2023

- 1 Gap analysis**  
Get familiar with CSRD, determine reporting ambition level and conduct a gap analysis against CSRD requirements
- 2 Materiality assessment & roadmap**  
Conduct double materiality assessment and develop a roadmap towards 2023 compliancy
- 3 Develop reporting components & framework**  
Develop and set up relevant policies and systems  
Develop indicator framework, including KPIs, benchmarks, target and data strategy
- 4 Draft transition report for FY 2022**  
Collect and analyse 2022 data to collate transition report 2022 and discuss this with your auditor
- 5 Review & Improve**  
Review and make required improvements in process and reporting
- 6 CSRD Report**  
Draft 2023 CSRD compliant and audited report