

# CORPORATE SUSTAINABILITY REPORTING DIRECTIVE CHANGES IN SCOPE

## NFRD COMPANIES

- Large **public-interest** corporations
- with more than 500 employees
- 20€ mln net asset
- 40€ mln turnover

Including listed entities,  
insurance companies,  
and banks

## CSRD COMPANIES

- ☐ “NFRD companies”: FY 2024 (publication in 2025)
- ☐ All other large companies: FY 2025 (publication in 2026)
- ☐ Listed SMEs: FY 2026 (publication in 2027)
  - ✓ Option to use “ESRS for SMEs”
  - ✓ 2-year opt-out
- ☐ Non-EU companies exceeding EU turnover threshold and with subsidiaries or branches in EU: FY 2028 (publication in 2029)

### SUBSIDIARY EXEMPTION

If the parent undertaking produces a consolidated sustainability report conforming with the CSRD

It also applies to subsidiaries that are public interest entities

### LARGE COMPANY THRESHOLD

A large company is a company that meets at least **2 out of the 3 following criteria:**

- €40 mln net turnover → €50 mln from FY2024
- €20 mln balance sheet → €25 mln from FY2024
- 250 or more employees

# CORPORATE SUSTAINABILITY REPORTING DIRECTIVE RULES FOR SMES (LISTED)

## A SME company:

Meets at least **2 out of the 3 following criteria:**

- ✓ Net turnover: 8€ mln - €40 mln  
(€10 -€50 mln from FY2024)
- ✓ Balance sheet → €4 mln – €20 mln  
(€5-€25 from FY2024)
- ✓ 50 - 250 employees
- ☐ Doesn't exceed more than 1/3 of criteria



Small and medium-sized undertakings will be given the possibility of reporting in accordance with standards that are **proportionate to their capacities and resources**, and relevant to the scale and complexity of their activities.

Provisions on sustainability reporting for SMEs should apply for financial years starting **on or**

**after 1 January 2026.** Following that date, for a **transitional period of two years**, SMEs have the possibility of **opting out** from the requirements.

- ☐ **Listed SMEs:** mandatory disclosure → **LSME standards by EFRAG**
- ☐ **Non-listed SMEs:** voluntary disclosure → **VSME standards by EFRAG**

# CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

## SMES (LISTED)

SMEs may **limit their sustainability reporting** to the following information:

**a) Description** of the undertaking's **business model and strategy**;

**b) Policies** in relation to sustainability matters;



**c) Principal actual or potential adverse impacts**, and any actions taken to identify, monitor, prevent, mitigate or remediate them;

**d) The principal risks** to the undertaking related to sustainability matters and how the undertaking manages those risks;

**e) Key indicators** necessary for the disclosures referred to in points (a) to (d).

A decorative graphic of green wavy lines in the top-left corner.

# ONE COMMON LANGUAGE

- 
- A decorative graphic of blue wavy lines in the bottom-left corner.
- **1<sup>st</sup> time sustainability and financial reporting are placed on an equal footing**
  - **Movement beyond compliance: forward-looking approach to sustainability strategy definition, focus on internal processes and management oversight**
  - **The EU standards include all sustainability issues under a **double materiality perspective****
  - **ESRS standards are mandatory** under the CSRD also for listed SMEs
  - **CSRD & ESRS will also apply to certain **NON-EU companies****



# **CORPORATE SUSTAINABILITY REPORTING DIRECTIVE DISCLOSURE CONTENT**

## **BUSINESS MODEL & STRATEGY**

1. Sustainability priorities &
2. link with business model
3. Transition plans and actions
4. Opportunities and resilience of business models
5. Stakeholder Engagement


## **GOVERNANCE**

1. Policies, incentive schemes Due
2. Diligence & the process to conduct it
3. Role of management & supervisory bodies
4. Value Chain & Business Relations

## **METRICS & TARGETS**

1. Targets & their progress status
2. Indicators & Metrics

## **IMPACTS, RISKS, & OPPORTUNITIES**

1. Principal actual and potential adverse impact (PAI)
  2. Financial Risks & Opportunities
  3. Actions to identify, monitor, mitigate and prevent them
- 

# CSRD & ESRS TIMELINE

