



Business, Economy, Euro

Finance

Corporate sustainability reporting

EU rules require large companies and listed companies to publish regular reports on the social and environmental risks they face, and on how their activities impact people and the environment.

What the EU is doing and why

EU law requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment.

This helps investors, civil society organisations, consumers and other stakeholders to evaluate the sustainability performance of companies, as part of the [European green deal](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en) (https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en).

New rules on corporate sustainability reporting: The Corporate Sustainability Reporting Directive

On 5 January 2023, the [Corporate Sustainability Reporting Directive \(CSRD\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464) (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>), entered into force. This new directive modernises and strengthens the rules concerning the social and environmental information that companies have to report. A broader set of large companies, as well as listed SMEs, will now be required to report on sustainability.

The new rules will ensure that investors and other stakeholders have access to the information they need to assess the impact of companies on people and the environment and for investors to assess financial risks and opportunities arising from climate change and other sustainability issues. Finally, reporting costs will be reduced for companies over the medium to long term by harmonising the information to be provided.

The first companies will have to apply the new rules for the first time in the 2024 financial year, for reports published in 2025.

Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS). The standards were developed by the [EFRAG, previously known as the European Financial Reporting Advisory Group](#) ([EFRAG](#)), an independent body bringing together various different stakeholders.

The [ESRS were published in the Official Journal on 22 December 2023](#) (<https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32023R2772>), under the form of a delegated regulation. They are tailored to EU policies, while building on and contributing to international standardisation initiatives.

The CSRD also requires assurance on the sustainability information that companies report and will provide for the digital taxonomy of sustainability information.

Rules introduced by the Non-Financial Reporting Directive

The rules introduced by the [Non-Financial Reporting Directive \(NFRD\)](#) ([NFRD](#)), remain in force until companies have to apply the new rules of the CSRD. Under the NFRD, large companies have to publish information related to

- environmental matters
- social matters and treatment of employees
- respect for human rights
- anti-corruption and bribery
- diversity on company boards (in terms of age, gender, educational and professional background)

These reporting rules apply to large public-interest companies with more than 500 employees. This covers approximately 11 700 large companies and groups across the EU, including

- listed companies
- banks
- insurance companies
- other companies designated by national authorities as public-interest entities

Policy making timeline

• 22 December 2023

Legislation - European sustainability reporting standards

Publication of the European Sustainability Reporting Standards (ESRS) in the Official Journal (<https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32023R2772>).

• 17 October 2023

Legislative proposal - European sustainability reporting standards

2024 Commission work programme: Proposal for a Decision as regards the time limits for the adoption of sustainability reporting standards for certain sectors and for certain third-country undertakings (/publications/2024-commission-work-programme_en).

• 31 July 2023

Legislation - European sustainability reporting standards

Adoption of the European Sustainability Reporting Standards (ESRS) (/news/commission-adopts-european-sustainability-reporting-standards-2023-07-31_en), accompanied by questions and answers on the ESRS (https://ec.europa.eu/commission/presscorner/detail/en/qanda_23_4043).

• 9 June 2023

Legislation - European sustainability reporting standards

Opening of feedback process of a first set of draft sustainability reporting standards for companies, opening a four-week public feedback period (https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13765-European-sustainability-reporting-standards-first-set_en).

Following the feedback period, the Commission will consider the feedback received before finalising the standards as delegated acts and submitting them to the European Parliament and Council for scrutiny.

• 14 December 2022

Legislation - Corporate Sustainability Reporting

Publication of the Corporate Sustainability Reporting Directive (CSRD) in the Official Journal (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>).

• 23 November 2022

Standards - Corporate Sustainability Reporting

First set of draft EU sustainability reporting standards published by EFRAG [[?](https://www.efrag.org/Assets/Download?assetUrl=/sites/webpublishing/SiteAssets/EFRAG+Press+release+First+Set+of+draft+ESRS.pdf&AspxAutoDetectCookieSupport=1)] (<https://www.efrag.org/Assets/Download?assetUrl=/sites/webpublishing/SiteAssets/EFRAG+Press+release+First+Set+of+draft+ESRS.pdf&AspxAutoDetectCookieSupport=1>).

• 22 June 2022

Legislation - Corporate Sustainability Reporting

Political agreement by the European Parliament and the Council on the Corporate Sustainability Reporting Directive (CSRD) (https://ec.europa.eu/commission/presscorner/detail/en/mex_22_3966).

• 21 April 2021

Legislative proposal - Corporate Sustainability Reporting

[Proposal for a Corporate Sustainability Reporting Directive \(CSRD\)](#) to amend the reporting requirements of the NFRD.

• 8 March 2021

Reports - EU sustainability reporting standards

[EFRAG reports on development of EU sustainability reporting standards](#)

• 20 February 2020

Consultation - Non-financial reporting

[Public consultation on the review of the non-financial reporting directive](#)

End date: 11 June 2020

• 20 February 2019

Consultation - Non-financial reporting

[Targeted consultation on the guidelines on reporting climate-related information](#)

End date: 20 March 2019

• 18 June 2019

Guidelines - Non-financial reporting

Guidelines on reporting climate-related information [[?](https://finance.ec.europa.eu/publications/commission-guidelines-non-financial-reporting_en#climate)] (https://finance.ec.europa.eu/publications/commission-guidelines-non-financial-reporting_en#climate), which in practice consist of a new supplement to the existing guidelines on non-financial reporting, which remain applicable.

• 26 June 2017

Guidelines - Non-financial reporting

[Guidelines to help companies disclose environmental and social information](#). These guidelines are not mandatory, and companies may decide to use international, European or national guidelines according to their own characteristics or business environment.

- **28 January 2015**

Consultation - Non-financial reporting

Public consultation on non-financial reporting guidelines (https://ec.europa.eu/finance/consultations/2016/non-financial-reporting-guidelines/index_en.htm).

End date: 15 April 2016

- **22 October 2014**

Legislation - Non-financial reporting

Adoption of the Non-Financial Directive (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0095>).

- **15 April 2014**

Frequently asked questions - Non-financial reporting

Disclosure of non-financial and diversity information by large companies and groups (https://ec.europa.eu/commission/presscorner/detail/en/MEMO_14_301).


Relevant legislation

Corporate Sustainability Reporting Directive (CSRD) - 2022/2464/EU

Basic information

- Text of the CSRD (2022/2464/EU) (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>) 

Delegated and implementing acts



- Delegated and implementing acts to the CSRD ([regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/corporate-sustainability-reporting-directive_en](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464)) 

Legislative history

- Original legislative proposal for the CSRD (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0189>) 
- Impact assessment accompanying the legislative proposal for the CSRD (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021SC0150>) 
- Executive summary of the impact assessment accompanying the legislative proposal for the CSRD (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021SC0151>) 
- More on the legislative proposal for the CSRD ([publications/sustainable-finance-package_en#csrd](https://ec.europa.eu/finance/publications/sustainable-finance-package_en#csrd))
- Legislative initiative on corporate sustainability reporting (https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12129-Corporate-Sustainability-Reporting_en) 

Non-Financial Reporting Directive (NFRD) - 2014/95/EU

Basic information

- Text of the NFRD (2014/95/EU) (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0095>) 
- Summary of the legislation: Disclosure of non-financial and diversity information by large companies and groups (<https://eur-lex.europa.eu/legal-content/EN/LSU/?uri=CELEX:32014L0095>) 

Transposition by EU Member States

- The NFRD was transposed by all EU Member states into their national law.
- Transposition history of the NFRD by EU Member States (<https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32014L0095>) 

Legislative history

- Original legislative proposal for the NFRD (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52013PC0207>) 
- Impact assessment accompanying the legislative proposal for the NFRD (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52013SC0127>) 
- Executive summary of the impact assessment accompanying the legislative proposal for the NFRD (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52013SC0128>) 

Related links

[Sustainable finance](#) 

[EFRAG \(previously known as the European Financial Reporting Advisory Group\)](#) 