

**EUROFILING ONLINE CONFERENCES 2021**  
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## **Sustainability reporting**

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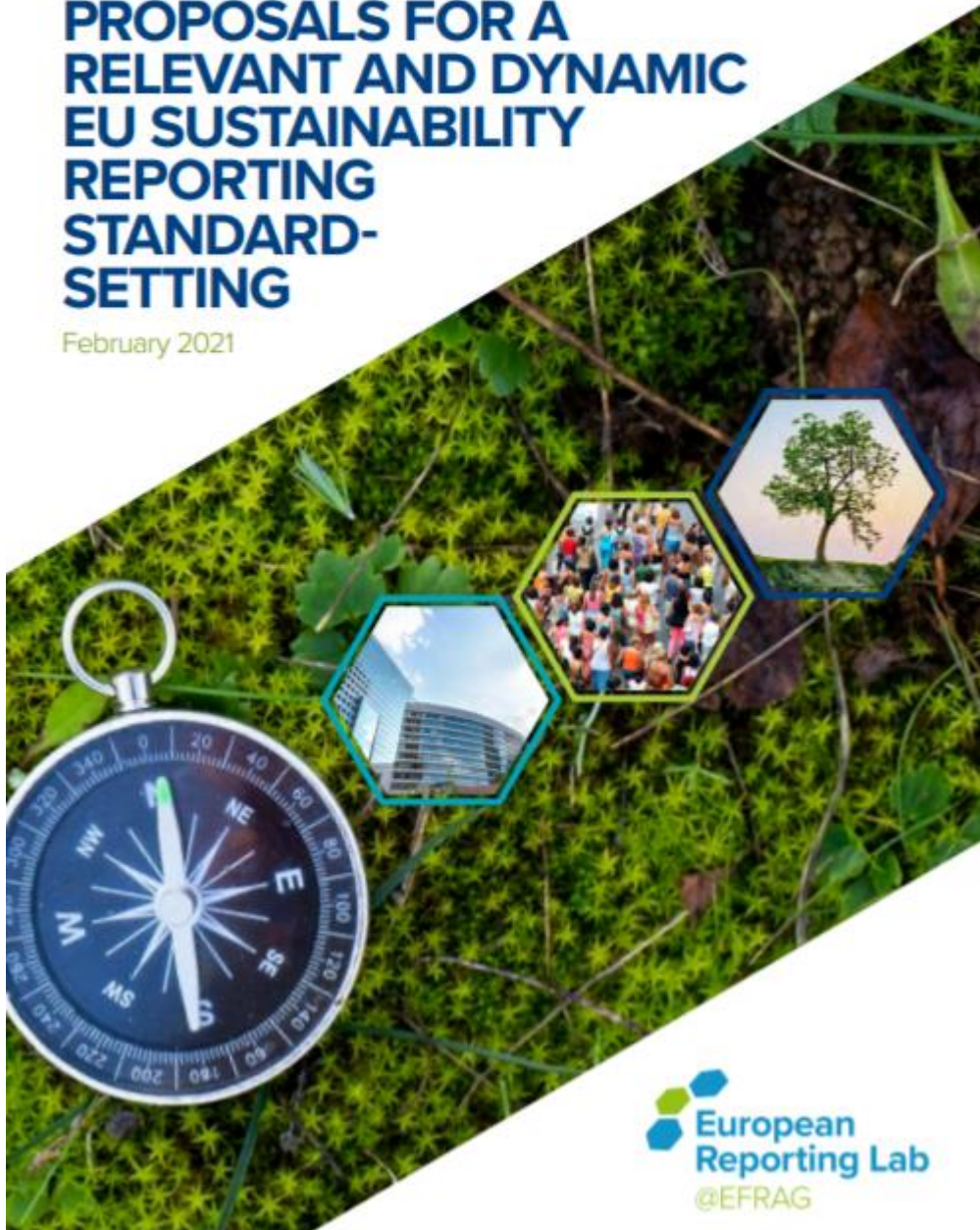
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FINAL REPORT

# PROPOSALS FOR A RELEVANT AND DYNAMIC EU SUSTAINABILITY REPORTING STANDARD- SETTING

February 2021



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Laura Gutierrez, from BEUC-The European Consumer Organisation (up to mid-October 2020)

Luc Hendrickx, from SMEUnited

Kristian Koktvedgaard, from Confederation of Danish Industry

Jasper de Meyer, from BEUC-The European Consumer Organisation (as from mid-October 2020)

Maria Mora, from AECA-Spanish Association of Accounting and Business Administration

Gianluca Manca, from Eurizon Capital

Marco Masip, from Telefonica

Philippe Meunier, from ENGIE

Birgitte Mogensen, from Board Management/Birgitte Mogensen

Christina Munksgaard, from Munksgaard

[https://ec.europa.eu/info/files/210305-report-efrag-sustainability-reporting-standard-setting\\_en](https://ec.europa.eu/info/files/210305-report-efrag-sustainability-reporting-standard-setting_en)

# Corporate sustainability reporting

EU rules require large companies to publish regular reports on the social and environmental impacts of their activities.

## Proposal for a Corporate Sustainability Reporting Directive (CSRD)

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On 21 April 2021, the Commission adopted a [proposal for a Corporate Sustainability Reporting Directive \(CSRD\)](#), which would amend the existing reporting requirements of the NFRD. The proposal

- extends the scope to all large companies and all companies listed on regulated markets (except listed micro-enterprises)
- requires the audit (assurance) of reported information
- introduces more detailed reporting requirements, and a requirement to report according to mandatory EU sustainability reporting standards
- requires companies to digitally 'tag' the reported information, so it is machine readable and feeds into the European single access point envisaged in the [capital markets union action plan](#)

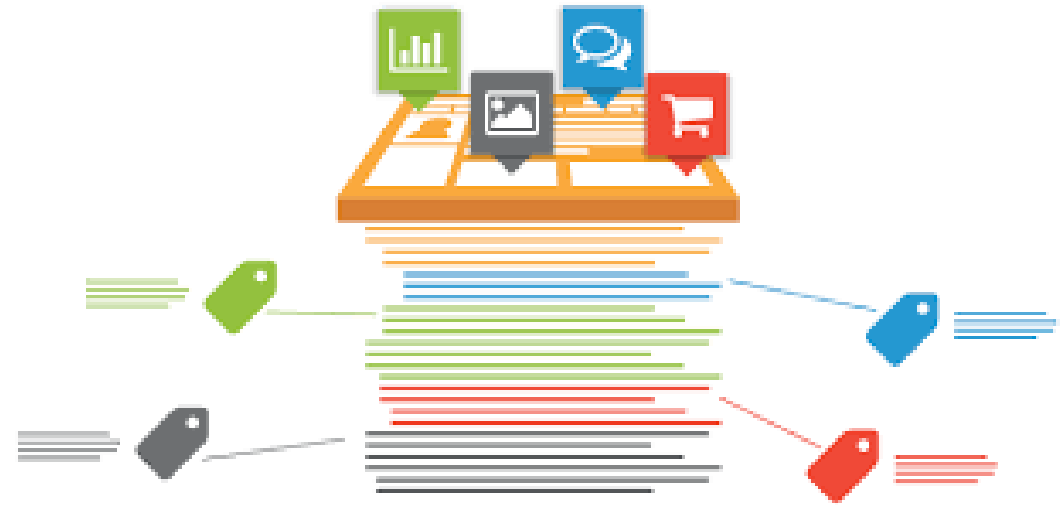
# Scope of Application

- The proposed new requirements would apply to large undertakings and those small and medium-sized undertakings (SMEs) which are listed on EU regulated markets. Listed SMEs would be allowed an additional three years to prepare for the new requirements.
- The Commission states in its Communication that this would expand the scope from approximately 11,000 entities under the NFRD to 49,000 entities.



# Digital tagging in Sustainability data

- The CSRD anticipates a new requirement that undertakings subject to the new sustainability reporting requirements prepare their financial statements and management report using a single electronic reporting format and mark-up their sustainability reporting.



# New verification requirements

- Sustainability reporting would need to be assured by auditors under new standards under the new proposals. The assurance standards would be developed at a national level, with the Commission able to set out details of the procedure auditors should use via delegated acts.
- Professional competence standards for auditors will also be amended to take into account knowledge relevant to the new sustainability reporting requirements.

