

Enact[®]

**Corporate
Sustainability
Reporting Directive**

CSRD



EU has three kinds of legal acts:

Regulation

- Laws that apply to all member states.

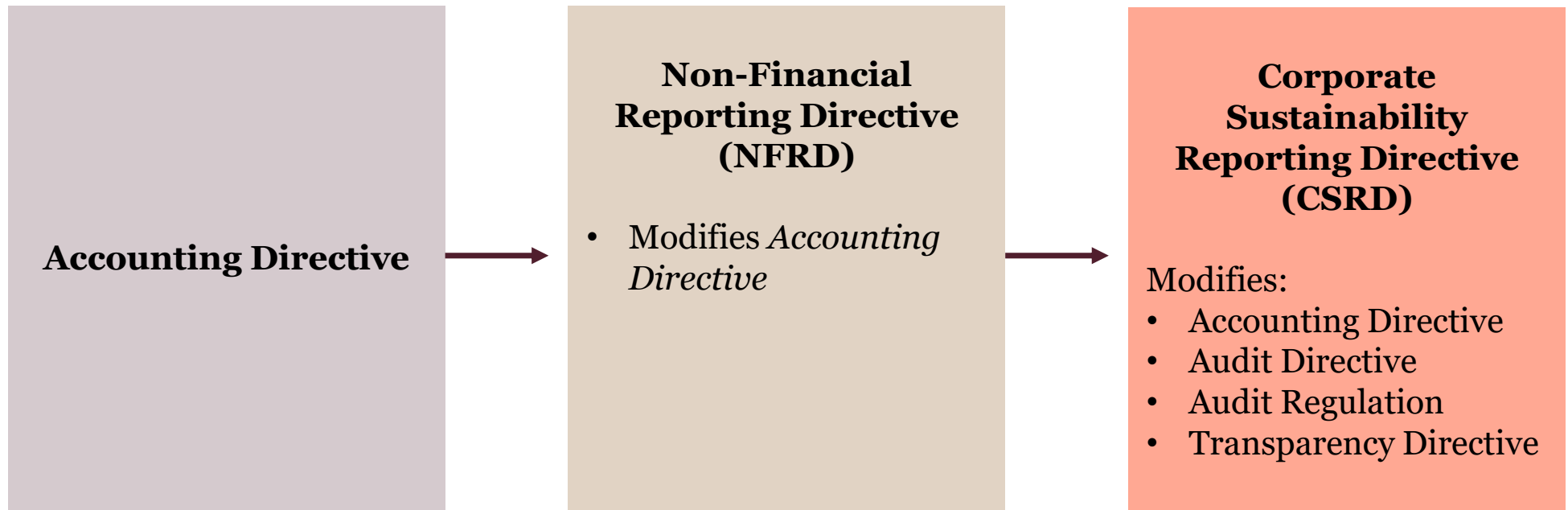
Directive

- Laws that set goals for member states to implement.
- Member states transpose directives into national law.
- Directives normally have deadlines for countries to adopt them into national law.

Decision

- Binding but only relevant to specified bodies, for example a specific EU Country or company that it is issued against.

Development of sustainability reporting made compulsory by EU Law



CSRD applies to many more companies

	Employees	Balance sheet	Net turnover
NFRD	> 500	EUR 20 million	EUR 40 million
CSRD	> 250	EUR 20 million	EUR 40 million

!

- All large companies and all companies listed on regulated markets (except micro companies)
- CSRD will also cover listed SMEs, small and non-complex credit institutions and captive insurance undertakings

European Green Deal

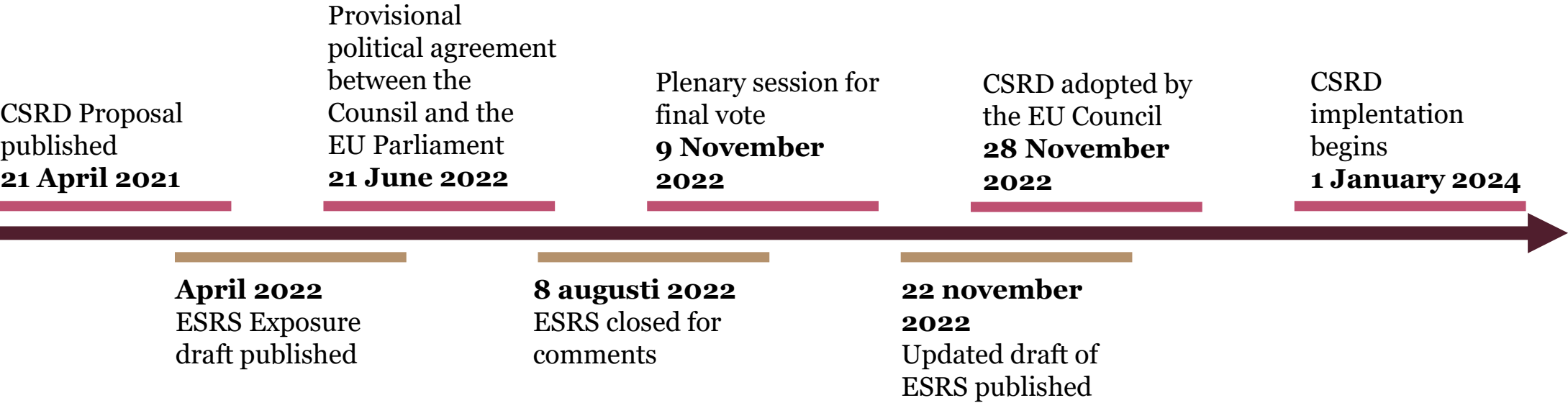
- Aims to transform the EU into a modern, resource-efficient and competitive economy with no net greenhouse gas emissions by 2050.
- The European Green Deal is divided into several parts, including the Commission's Sustainable Finance Action Plan, which includes the following:

EU Corporate
Sustainability
Reporting Directive
(CSRD)

EU Taxonomy

EU Sustainable
Finance Disclosure
Regulation (SFDR)

CSRD – the timeline



Timeline for implementation

1 January 2024 (report in 2025)

Companies already subject to the Non-Financial Reporting Directive (NFRD)

1 January 2025 (report in 2026)

Companies that are not presently subject to the Non-Financial Reporting Directive (NFRD)

1 January 2026 (report in 2027)

Listed SMEs, small and non-complex credit institutions and captive insurance undertakings

CSRD Components

Double materiality the basis for the materiality analysis

Mandatory EU sustainability reporting standards

Parent companies in large groups must prepare a sustainability report for the group

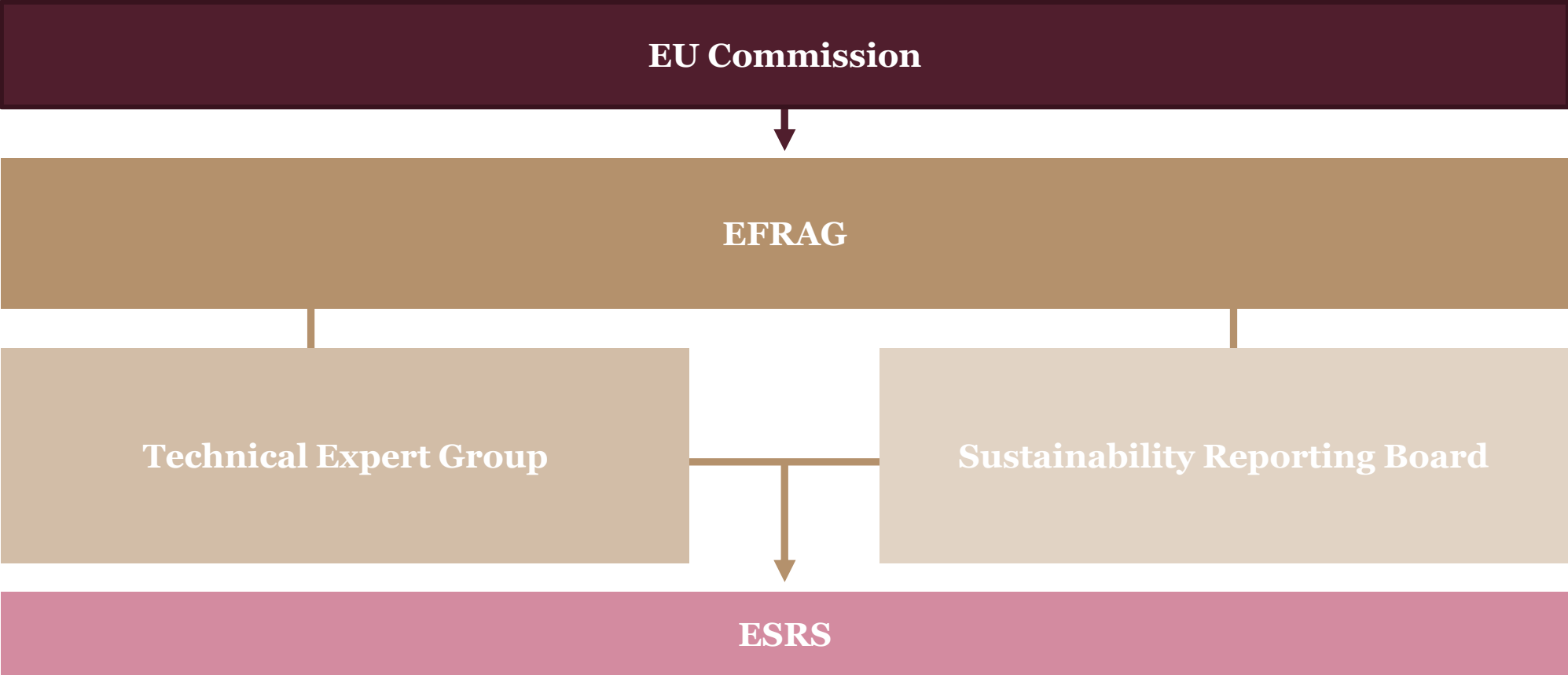
Verification of sustainability data (limited vs reasonable assurance)

Available in machine-readable digital format

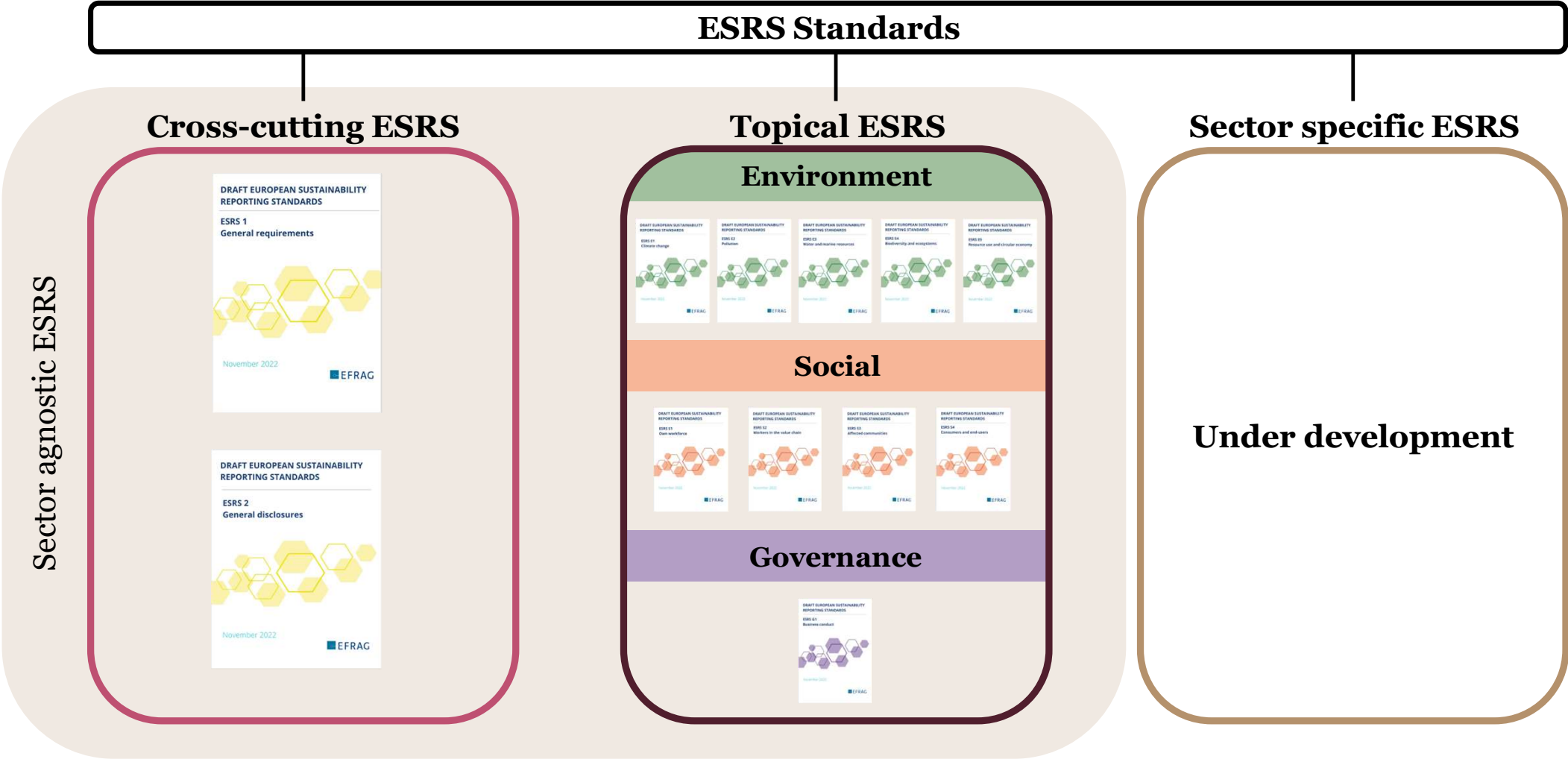
Sustainability information is published in the management report

Strengthened connection to the Taxonomy and the Disclosure Regulation

Development of ESRS



ESRS Structure



Topical ESRS

Environment

- 5 Standards:
 - Climate Change
 - Pollution
 - Water and marine resources
 - Biodiversity and ecosystems
 - Resource use and circular economy



Social

- 4 Standards:
 - Own workforce
 - Workers in the value chain
 - Affected Communities
 - Consumers and end-users



Governance

- 1 Standard:
 - Business Conduct



Where to find information and follow the development

- **EU Parliament:** <https://www.europarl.europa.eu/news/en/agenda/briefing/2022-11-09/5/new-eu-sustainability-reporting-rules-for-multinationals>
- **The development of CSRD:** <https://www.europarl.europa.eu/legislative-train/theme-a-european-green-deal/file-review-of-the-non-financial-reporting-directive>
- **Last version:** https://www.europarl.europa.eu/doceo/document/TA-9-2022-0380_EN.pdf
- **EFRAG:** <https://www.efrag.org/>

Enact[®]

Thanks for today!

Enact Sustainable
Strategies Group AB
www.enact.se

Josefin Unger Belin
josefin.unger.belin@enact.se