

Basic information

2021/0104(COD)

COD - Ordinary legislative procedure (ex-codecision procedure)
Directive

Corporate Sustainability Reporting Directive

Amending Directive 2004/109 [2003/0045\(COD\)](#)
Amending Directive 2006/43 [2004/0065\(COD\)](#)
Amending Directive 2013/34 [2011/0308\(COD\)](#)
Amending Regulation 2014/537 [2011/0359\(COD\)](#)
Amended by [2025/0044\(COD\)](#)
Amended by [2025/0045\(COD\)](#)

Subject

2.50.08 Financial services, financial reporting and auditing
2.50.10 Financial supervision
3.45.01 Company law
3.45.03 Financial management of undertakings, business loans,
accounting
3.70.20 Sustainable development

Legislative priorities

[Joint Declaration 2021](#)
[Joint Declaration 2022](#)

Procedure completed

Key players

European
Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs	DURAND Pascal (Renew)	21/05/2021
	Shadow rapporteur BUDA Daniel (EPP) WOLTERS Lara (S&D) TOUSSAINT Marie (Greens /EFA) STANCANELLI Raffaele (ECR) LEBRETON Gilles (ID) AUBRY Manon (The Left)	
Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	KARLSBRO Karin (Renew)	11/11/2021
DEVE Development	MAJORINO Pierfrancesco (S&D)	14/06/2021

	<p>ECON Economic and Monetary Affairs (Associated committee)</p>	POLFJÄRD Jessica (EPP)	01/09/2021
	<p>EMPL Employment and Social Affairs (Associated committee)</p>	PETER-HANSEN Kira Marie (Greens/EFA)	19/10/2021
	<p>ENVI Environment, Public Health and Food Safety (Associated committee)</p>	PEREIRA Lídia (EPP)	17/09/2021
	<p>ITRE Industry, Research and Energy</p>	Chair on behalf of committee BUȘOI Cristian-Silviu (EPP)	05/10/2021
	<p>FEMM Women's Rights and Gender Equality</p>	BIEDROŃ Robert (S&D)	07/06/2021
Council of the European Union			
European Commission	Commission DG		Commissioner
	Financial Stability, Financial Services and Capital Markets Union		MCGUINNESS Mairead
European Central Bank			

Key events			
Date	Event	Reference	Summary
21/04/2021	Legislative proposal published	COM(2021)0189 	Summary
23/06/2021	Committee referral announced in Parliament, 1st reading		
16/12/2021	Referral to associated committees announced in Parliament		
15/03/2022	Vote in committee, 1st reading		
15/03/2022	Committee decision to open interinstitutional negotiations with report adopted in committee		
22/03/2022	Committee report tabled for plenary, 1st reading	A9-0059/2022	Summary
23/03/2022	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
04/04/2022	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
14/07/2022	Approval in committee of the text agreed at 1st reading interinstitutional negotiations		
09/11/2022	Debate in Parliament		
10/11/2022	Decision by Parliament, 1st reading	T9-0380/2022	Summary

10/11/2022	Results of vote in Parliament		
28/11/2022	Act adopted by Council after Parliament's 1st reading		
14/12/2022	Final act signed		
16/12/2022	Final act published in Official Journal		

Technical information	
Procedure reference	2021/0104(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2004/109 2003/0045(COD) Amending Directive 2006/43 2004/0065(COD) Amending Directive 2013/34 2011/0308(COD) Amending Regulation 2014/537 2011/0359(COD) Amended by 2025/0044(COD) Amended by 2025/0045(COD)
Legal basis	Rules of Procedure EP 57_o Treaty on the Functioning of the European Union TFEU 114 Treaty on the Functioning of the European Union TFEU 050
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Central Bank
Stage reached in procedure	Procedure completed
Committee dossier	JURI/9/05887

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE700.458	16/11/2021	
Amendments tabled in committee		PE703.020	14/12/2021	
Amendments tabled in committee		PE703.023	14/12/2021	
Committee opinion	AFET	PE700.537	14/02/2022	
Committee opinion	FEMM	PE700.408	22/02/2022	
Committee opinion	ECON	PE700.636	28/02/2022	
Specific opinion	ITRE	PE719.835	03/03/2022	
Committee opinion	ENVI	PE699.184	04/03/2022	
Committee opinion	DEVE	PE700.718	04/03/2022	
Committee opinion	EMPL	PE699.174	18/03/2022	

Committee report tabled for plenary, 1st reading/single reading		A9-0059/2022	22/03/2022	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0380/2022	10/11/2022	Summary
Council of the EU				
Document type		Reference	Date	Summary
Draft final act		00035/2022/LEX	14/12/2022	
European Commission				
Document type		Reference	Date	Summary
Legislative proposal		COM(2021)0189 	21/04/2021	Summary
Document attached to the procedure		SEC(2021)0164	22/04/2021	
Document attached to the procedure		SWD(2021)0150 	22/04/2021	
Document attached to the procedure		SWD(2021)0151 	22/04/2021	
Commission response to text adopted in plenary		SP(2022)688	17/01/2023	
National parliaments				
Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	DE_BUNDES RAT	COM(2021)0189	08/11/2021	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
ECB	European Central Bank: opinion, guideline, report	N9-0082/2021 OJ C 446 03.11.2021, p. 0002	07/09/2021	
EESC	Economic and Social Committee: opinion, report	CES2582/2021	22/09/2021	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
DURAND Pascal	Rapporteur	JURI	15/11/2023	Datamaran
DURAND Pascal	Rapporteur	JURI	09/10/2023	Impact Economy Foundation - CSRD.org
DURAND Pascal	Rapporteur	JURI	06/10/2023	TIC Council
DURAND Pascal	Rapporteur	JURI	14/09/2023	PANASONIC EUROPE BV
DURAND Pascal	Rapporteur	JURI	14/09/2023	Direction générale du Trésor - Ministère de l'Economie, des Finances et de la Souveraineté industrielle et numérique (FR)
DURAND Pascal	Rapporteur	JURI	29/08/2023	Datamaran
TOUSSAINT Marie	Shadow rapporteur	JURI	24/05/2022	alliance for corporate transparency
TOUSSAINT Marie	Shadow rapporteur	JURI	18/05/2022	Minderoo Foundation
DURAND Pascal	Rapporteur	JURI	16/05/2022	Anti-Slavery International
TOUSSAINT Marie	Shadow rapporteur	JURI	22/04/2022	German Confederation of Trade Unions
TOUSSAINT Marie	Shadow rapporteur	JURI	07/02/2022	Alliance for Corporate Transparency
BISCHOFF Gabriele	Shadow rapporteur	ECON	07/10/2021	DGB
VOSS Axel	Shadow rapporteur	JURI	20/04/2021	Bundesverband der Deutschen Volksbanken und Raiffeisenbanken
VOSS Axel	Shadow rapporteur	JURI	02/03/2021	C&A Mode GmbH & Co. KG

Other Members

Transparency		
Name	Date	Interest representatives
THALER Barbara	03/10/2023	Wirtschaftskammer Österreich
THALER Barbara	29/09/2023	Aeoon Technologies GmbH
MELCHIOR Karen	29/09/2022	American Chamber of Commerce to the European Union
MELCHIOR Karen	07/06/2022	Rådet for Grøn Omstilling
MELCHIOR Karen	02/02/2022	French Association of Chartered Accountants
MELCHIOR Karen	26/01/2022	CSR Europe, The Business Network for Corporate Social Responsibility

Final act
Directive 2022/2464 OJ L 322 16.12.2022, p. 0015 Summary

Corporate Sustainability Reporting Directive

2021/0104(COD) - 22/03/2022 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Legal Affairs adopted the report by Pascal DURAND (Renew Europe, FR) on the proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting.

The proposal for a corporate sustainability reporting Directive (CSRD) aims to improve the flow of sustainability information in the corporate world. Investors need to know about the impact that companies have on people and the environment to meet their own disclosure requirements and be better informed on sustainability risks.

[The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:](#)

Scope

Given that a guaranteed level playing field and equal treatment for undertakings operating in Europe should be a guiding principle of this revision, the new CSRD rules should cover:

- all large companies, including undertakings organised as foundations, trusts or franchises;
- non-EU companies operating in the internal market;
- small and medium-sized undertakings whose transferable securities are admitted to trading on a trading venue of any Member State;
- small and medium sized undertakings carrying out high-risk economic activities.

SMEs not carrying out high-risk economic activities and non-listed SMEs can also choose to use these proportionate standards on a voluntary basis.

High-risk sectors

Certain business activities operating in 'risky' sectors are already subject to enhanced transparency requirements (e.g. conflict minerals) or even bans on access to the European market (e.g. timber from illegal forestry) on account of the significant and repeated impact of these activities on human rights, the environment and good governance. However, the effective implementation of these sectoral policies is hampered by a lack of access to information and unreliable information.

The text also asks the Commission to establish additional reporting criteria for companies with relevant activities in high-risk sectors. The Commission should be empowered to adopt delegated acts to establish and amend a list of activities that include economic activities in the following high-risk sectors:

- garment and footwear, including manufacturing of textile;
- agriculture, including manufacturing of food and beverage,
- extractive sector (mining, oil and gas industries);
- minerals, including tin, tantalum, tungsten and gold, as well as all other mineral resources.

EU sustainability standards

The information which undertakings currently provide about their policies is not always clear and consistent. There are many internationally developed 'measurable, science-based indicators' which can improve the quality of these reports. The report proposes further developing the definitions of the provisions on these measurable indicators while leaving it to the Commission, subject to supervision by the co-legislators, to reach a precise definition as to what needs to be reported.

The text clarifies reporting rules for companies by introducing more detailed reporting requirements into the revamped Non-Financial Reporting Directive, in accordance with the European Green Deal. Disclosed information should be audited, more easily accessible, reliable and comparable, according to Members.

The European Financial Reporting Advisory Group (EFRAG) would be tasked with developing the mandatory EU sustainability-reporting standards, covering environmental matters, social affairs, including gender equality and diversity, and governance, including anti-corruption and bribery, which the Commission would then adopt by delegated acts. To achieve this, Members propose that EFRAG's funding should be increased to at least 75% and annual discussions held with Parliament.

Evaluation mechanism

According to the amended text, the sustainability reporting standards should include an evaluation mechanism, based on qualitative information and indicators, which makes the disclosed sustainability information comparable between companies and allows for the quantitative rating of corporate sustainability performance as a basis for public procurement, State aid and other policy measures.

Corporate Sustainability Reporting Directive

2021/0104(COD) - 21/04/2021 - Legislative proposal

PURPOSE: to create a new corporate sustainability reporting Directive to improve the flow of sustainability information in the corporate world.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the Non-Financial Reporting Directive (Directive 2014/95/EU, the NFRD), amending the Accounting Directive, was adopted in 2014. It applies to large public-interest entities with an average number of employees in excess of 500, and to public-interest entities that are parent companies of a large group with an average number of employees in excess of 500 on a consolidated basis. More than 11 000 companies are subject to the reporting requirements of the NFRD. The NFRD introduced a requirement for companies to report both on how sustainability issues affect their performance, position and development (the 'outside-in' perspective), and on their impact on people and the environment (the 'inside-out' perspective). This is often known as 'double materiality'.

CONTENT: the Commission puts forward this proposal for a corporate sustainability reporting Directive (CSRD) with a view to revising and strengthening the existing rules introduced by the Non-Financial Reporting Directive (NFRD) on sustainability reporting. It aims to improve the flow of sustainability information in the corporate world. It will make sustainability reporting by companies more consistent, so that financial firms, investors and the broader public can use comparable and reliable sustainability information.

The Commission estimates that the proposed option would result in around 49 000 companies reporting sustainability information compared to 11 600 under the current regime.

Compared to the NFRD sustainability reporting requirements, the principal novelties of this proposal are:

- to extend the scope of these requirements to include all large companies, whether they are listed or not and without the previous 500-employee threshold. This change would mean that all large companies are publicly accountable for their impact on people and the environment. It also responds to demands from investors for sustainability information from such companies;
- to extend the scope to include listed SMEs, with the exception of listed micro-enterprises. For reasons of investor protection, it is especially important that investors have access to adequate sustainability information from listed companies. Furthermore, if listed SMEs do not report sustainability information, they may find themselves at risk of exclusion from investment portfolios. This risk will grow as sustainability information becomes ever more important throughout the financial system;
- to help reduce systemic risks to the economy and improve the allocation of financial capital to companies and activities that address social, health and environmental problems;
- to make companies more accountable for their impacts on people and the environment, thereby building trust between them and society;
- to simplify the reporting process for companies;
- to reduce unnecessary costs of sustainability reporting for companies, and to enable them to meet the growing demand for sustainability information in an efficient manner. It will bring clarity and certainty on what sustainability information to report and make it easier for preparers to get the information they need for reporting purposes from their own business partners (suppliers, clients and investee companies). It should also reduce the number of demands companies receive for sustainability information in addition to the information they publish in their annual reports;
- to ensure that all information is published as part of companies' management reports, and disclosed in a digital, machine-readable format.

The European Financial Reporting Advisory Group (EFRAG) will be responsible for developing draft EU standards on sustainability reporting, drawing on stakeholder expertise. The proposed EU standards would build on and contribute to international standard setting initiatives.

Corporate Sustainability Reporting Directive

2021/0104(COD) - 10/11/2022 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 525 votes to 60, with 28 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directives 2013/34/EU, 2004/109/EC and 2006/43/EC and Regulation (EU) No 537/2014 as regards corporate sustainability reporting.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

Objective

The Directive aims to address the shortcomings of the existing rules on non-financial reporting. It amends the 2014 Non-Financial Reporting Directive by introducing more detailed reporting requirements and ensures that large undertakings are required to disclose information on sustainability matters such as environmental rights, social rights, human rights and governance matters, building on common criteria aligned with the EU's climate objectives.

Scope of application

The new non-financial reporting rules will apply to:

- all **large undertakings** and all companies whose securities are admitted to trading on a regulated market. These companies will also be responsible for assessing the information at the level of their subsidiaries;
- **listed SMEs**, although they will have an additional period (until 2028) to comply;
- **third-country undertakings** which generate a net turnover of more than EUR 150 million in the Union and which have a subsidiary undertaking or a branch on the territory of the Union.

Sustainability reporting

Large undertakings and small and medium-sized companies, with the exception of micro-enterprises, that are public interest entities will be required to include in the management report information that provides an understanding of the company's impact on sustainability matters, as well as information necessary to understand how sustainability matters affect the group's development, performance and position.

The information should include, *inter alia*:

- a brief description of the company's business model and strategy, including the degree of resilience of the company's business model and strategy with respect to risks related to sustainability issues and how the company has implemented its strategy with respect to sustainability matters;
- a description of the time-bound targets related to sustainability matters set by the group, including, where appropriate, absolute greenhouse gas emission reduction targets at least for 2030 and 2050, a description of the progress the group has made towards achieving those targets, and a statement of whether the group's targets related to environmental factors are based on conclusive scientific evidence;
- a description of the principal risks to the group related to sustainability matters, including the group's principal dependencies on those matters, and how the group manages those risks.

Sustainability information should be clearly identifiable in a **dedicated section** of the management report. It should also be available and accessible online to the public.

Sustainability reporting standards

The Directive provides for the adoption of mandatory common sustainability reporting standards to ensure comparability of information and disclosure of all relevant information.

These standards will have to specify the information that undertakings must disclose on environmental factors such as climate change mitigation, including greenhouse gas emissions, water and marine resources, resource use and the circular economy, pollution, biodiversity and ecosystems. They will also need to specify the information that undertakings must disclose on social and human rights factors, as well as governance factors such as the role of the company's administrative, management and supervisory bodies in relation to sustainability issues, or ethics and corporate culture, including anti-corruption, whistleblower protection and animal welfare.

The adoption of sustainability reporting standards through delegated acts will ensure harmonised sustainability reporting across the EU.

The **European Financial Reporting Advisory Group** (EFRAG) will be responsible for setting the European standards, based on technical advice from several European agencies.

Certification and audit

To ensure that the information provided by companies is reliable, they will be subject to independent certification and auditing. **An independent auditor or certifier** must ensure that the sustainability information complies with the certification standards that have been adopted by the EU. The reporting of non-European companies must also be certified, either by a European auditor or by one established in a third country.

Application

The Directive will apply from:

- 1 January 2024 for companies already subject to the non-financial reporting directive;
- 1 January 2025 for large companies that are not presently subject to the non-financial reporting directive;
- 1 January 2026 for listed SMEs, small and non-complex credit institutions and captive insurance undertakings.

Corporate Sustainability Reporting Directive

2021/0104(COD) - 16/12/2022 - Final act

PURPOSE: to adopt a new directive on corporate sustainability reporting to improve the flow of sustainability information from companies.

LEGISLATIVE ACT: Directive (EU) 2022/2464 of the European Parliament and of the Council amending Regulation (EU) No 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU as regards corporate sustainability reporting.

CONTENT: the Directive **strengthens the existing rules on non-financial reporting** introduced in the Accounting Directive by the 2014 Non-Financial Reporting Directive, which are no longer adequate for the EU's transition to a sustainable economy.

New rules for corporate reporting

The Directive introduces more detailed reporting requirements and ensures that large companies and listed SMEs are required to **publish information on sustainability issues**, such as environmental rights, social rights, human rights and governance factors. The requirement for companies to disclose detailed information on sustainability issues will increase corporate accountability, avoid discrepancies in sustainability standards and facilitate the transition to a sustainable economy.

In its **resolution** of 17 December 2020 on sustainable corporate governance, the European Parliament welcomed the Commission's commitment to revise Directive 2013/34/EU and stressed the need for a comprehensive EU framework for non-financial reporting that contains mandatory EU standards for non-financial reporting.

Scope of application

The new non-financial reporting rules will apply to:

- **all large undertakings and all companies whose securities are admitted to trading on a regulated market**. These companies will also be responsible for assessing the information at the level of their subsidiaries;
- **listed SMEs**, although they will have an additional period (until 2028) to comply;
- **third-country undertakings** which generate a net turnover of more than EUR 150 million in the Union and which have a subsidiary undertaking or a branch on the territory of the Union.

Sustainability information

Large companies and small and medium-sized enterprises, with the exception of micro-enterprises, that are public interest entities will be required to include in the MD&A information that provides an understanding of the company's impact on sustainability issues, as well as information that provides an understanding of how sustainability issues affect the company's business development, performance and condition. This will help investors and other stakeholders to make informed decisions on sustainability issues.

Sustainability information should be clearly identifiable in a **dedicated section** of the management report. It should also be available and accessible online to the public.

Consolidated sustainability reporting

Parent companies of a large group will be required to include in the consolidated management report the information necessary to understand the group's impact on sustainability issues, as well as information necessary to understand how sustainability issues affect the development of the how sustainability issues affect the business development, performance and position of the Group's business development, performance and position.

Sustainability reporting standards

The Directive provides for the adoption of mandatory common sustainability reporting standards to ensure comparability of information and disclosure of all relevant information. These standards will have to specify the information that undertakings must disclose:

- on **environmental factors** such as climate change mitigation, including greenhouse gas emissions, water and marine resources, resource use and the circular economy, pollution, biodiversity and ecosystems;
- on **social rights** (equal treatment and opportunities for all, collective bargaining) and **human rights**;
- on **governance factors** such as the role of the company's administrative, management and supervisory bodies in relation to sustainability issues, or ethics and corporate culture, including anti-corruption, whistleblower protection and animal welfare.

The **European Financial Reporting Advisory Group (EFRAG)** will be responsible for developing draft European standards. The European Commission will adopt the final version of the standards in the form of a delegated act, following consultations with EU Member States and a number of European bodies.

Certification and auditing

To ensure that the information provided by companies is reliable, they will be subject to independent certification and auditing. An independent auditor or certifier will ensure that the sustainability information complies with the certification standards that have been adopted by the EU. The reporting of non-European companies must also be certified, either by a European auditor or by one established in a third country.

Transposition and application

The Directive will apply:

- in respect of financial years beginning on **1 January 2024** to companies already subject to the Non-Financial Reporting Directive;
- in respect of financial years beginning on **1 January 2025** to large companies not currently subject to the Non-Financial Reporting Directive;
- in respect of financial years beginning on **1 January 2026** to listed SMEs, as well as small and non-complex credit institutions and captive insurance companies.

ENTRY INTO FORCE: 17.12.2022.