

# What is CSRD?

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# Corporate Sustainability Reporting Directive...

...is a European Union regulation that will introduce mandatory reporting on sustainability information in the near future.....

This mandatory sustainability reporting will need to be at the same quality level as current financial reporting....

# What is CSRD?

**Corporate** – generally applies to companies (and banks and insurers for certain reasons). *See my next post on who needs to report..*

**Sustainability** – Companies will need to report on sustainability-related topics. This means information on environmental, social and governance topics (ESG).

**Reporting** – Yes, companies will have to report publicly on the sustainability information to everyone can see.

**Directive** – If it applies to you, you have to do it. It is not voluntary. It is mandatory.....

# Why is there CSRD?

- European Union commitments to dealing with climate change
- Part of a wider package of regulations to support the transition to net zero
- Part of an evolution over time from voluntary reporting standards, ESG scores and other assessment techniques to a mandatory regime
- Massive stakeholder expectations on reporting of progress against sustainability targets and metrics
- Expectations that companies will include ESG and sustainability topics in their strategy and operations on a daily basis

# Should I be concerned?

1. The EU expects around 50,000 companies to have to report under CSRD – it may be applicable to you (*see next post*)
2. The sustainability disclosures are subject to limited assurance by a qualified external auditor, so someone will review what you disclose and give a public report on it
3. CSRD includes a number of European Sustainability Reporting Standards that companies will need to comply with (in a similar way to International Financial Reporting Standards)
4. Stakeholders and investors will be very interested in the content of these reports
5. It is likely that you will need to implement new policies and processes (and even systems) in your business to report properly
6. Time is running...

# What next?

1. First step – find out if it applies to your business.

I'll write more on which companies have to comply with CSRD in my next post.

Thanks for reading. See you next time!

This document provides general information on the CSRD regulation and does not purport to provide advice or legal advice in any form. For how it might impact your group or company specifically, please obtain specialist advice.

Thanks!  
**Any questions?**

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