

Non-Financial Disclosure: From The NFRD to The New CSRD

What is non-financial disclosure?

Materiality's key steps will enable you to prioritize what matters most and guide you in creating a goal-oriented and concise sustainability strategy.



Who has to align to the new reporting directive?

The scope will include all large companies, all companies listed on the European stock exchange, publicly listed small and medium sized companies, subsidiaries of global non EU-firms, and companies with securities on EU-regulated markets.

Why should companies report?

1. Increasing consumers awareness on ESG topics;
2. ESG aspects are considered by investors in decision-making processes;
3. Compliance with laws and regulations.

Non-Financial Reporting Directive (NFRD)

Corporate Sustainability Reporting Directive (CSRD)

Adoption

Adopted in 2014 by the European Commission.

Adopted in 2021 by the European Commission. Applicable for reporting from 2024.

Directives' Goal

Aims at strenghtening companies' **accountability** towards stakeholders on ESG topics.

Aims at providing more **verifiable, accessible, and coherent non-financial data** while **ensure alignment** between non-financial and financial standards.

Reporting entities

It applies mainly to **large public companies with more than 500 employees**.

Three **new criteria to define large companies**: €40 million in net turnover, €20 million on the balance sheet, 250 or more employees.

Framework

Based on a set of **non mandatory guidelines**.

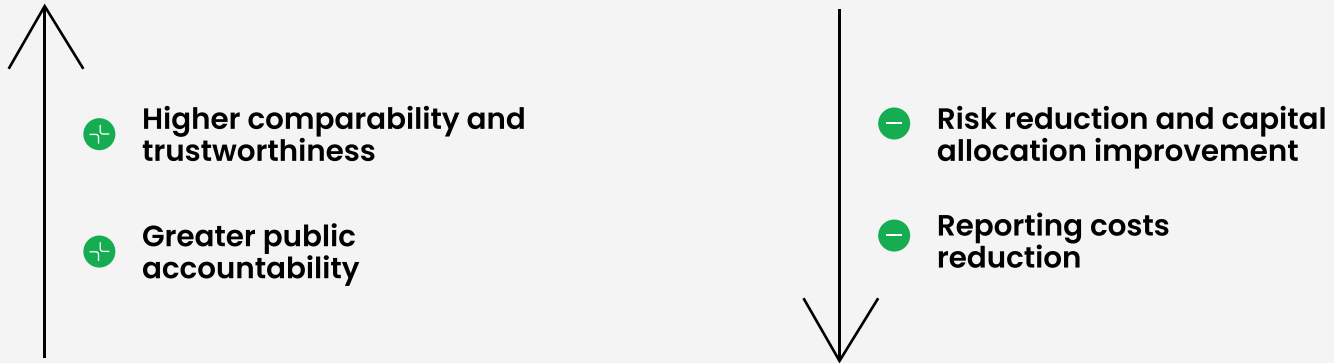
Based on a set of **mandatory EU Sustainability Reporting Standards**.

Compulsoriness

ESG information reported shall integrate within companies' **annual reports**.

Companies must assess **how their strategy and business model aligns with and impacts ESG matters**.

A deeper look in the new Corporate Sustainability Directive (CSRD)



What must be disclosed?

The CSRD looks at both past performance and future strategy related to broader sustainability initiatives and how risk is mitigated. This should result in reporting that showcases a company's overall sustainability performance.

- Overall strategy
- Stakeholder engagement
- Sustainability ambitions and targets
- Past sustainability performance
- Policies and processes across the value chain
- Risk management
- Reporting process

Key figures

80%

of Gen Z consumers factor ESG into investing decisions.

€7.6

billion ESG-related investments in the UK.



Increasing number of laws and regulations related to non-financial disclosure.

How to report?

Companies will have to report according to mandatory [EU Sustainability Reporting Standards](#) that will be published by the end of 2022. The standards will align with the following.

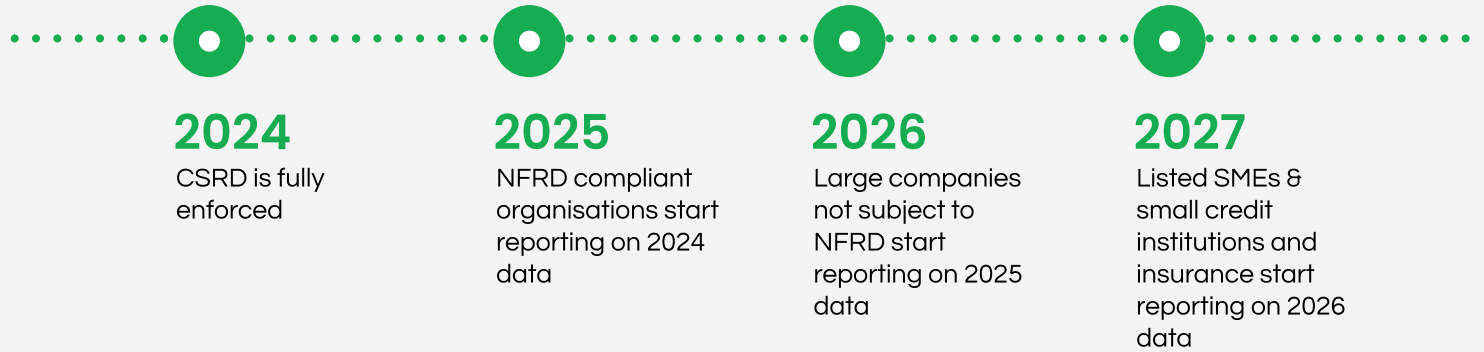
GRI - Global Reporting Initiative

SASB - Sustainability Accounting Standard Board

SDFR - Sustainable Finance Disclosure Regulation

EU Taxonomy

Timeline for the reporting entities



Sustainability in motion

We help you understand, simplify and embed sustainability into your company DNA to accelerate your transition to a brighter future.

[Contact us](#)

Author



Zuzana Struharova
ESG Senior Facilitator

Nexio Projects Netherlands
nexioprojects.com

Nexio Projects France
nexioprojects.com/fr/

