

# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Directive  2021/0104(COD)	Awaiting committee decision
Corporate Sustainability Reporting Directive  Amending Directive 2004/109 <a href="#">2003/0045(COD)</a> Amending Directive 2006/43 <a href="#">2004/0065(COD)</a> Amending Directive 2013/34 <a href="#">2011/0308(COD)</a> Amending Regulation 2014/537 <a href="#">2011/0359(COD)</a>	
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 <a href="#">Joint Declaration 2021</a>	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>JURI</b> <a href="#">Legal Affairs</a> (Associated committee)	 <a href="#">DURAND Pascal</a> Shadow rapporteur  <a href="#">BUDA Daniel</a>  <a href="#">WOLTERS Lara</a>  <a href="#">TOUSSAINT Marie</a>  <a href="#">LEBRETON Gilles</a>  <a href="#">AUBRY Manon</a>	Appointed 21/05/2021
	Committee for opinion <b>AFET</b> <a href="#">Foreign Affairs</a>	 <a href="#">KARLSBRO Karin</a>	Appointed 11/11/2021
	<b>DEVE</b> <a href="#">Development</a>	 <a href="#">MAJORINO Pierfrancesco</a>	14/06/2021
	<b>ECON</b> <a href="#">Economic and Monetary Affairs</a> (Associated committee)	 <a href="#">POLFJÄRD Jessica</a>	01/09/2021
	<b>FEMM</b> <a href="#">Women's Rights and Gender Equality</a>		07/06/2021



[BIEDROŃ Robert](#)

**ENVI** [Environment, Public Health and Food Safety](#)  
(Associated committee)

17/09/2021



[PEREIRA Lídia](#)

**ITRE** [Industry, Research and Energy](#)

Chair on behalf of committee

05/10/2021



[BUȘOI Cristian-Silviu](#)

**EMPL** [Employment and Social Affairs](#)  
(Associated committee)

19/10/2021



[PETER-HANSEN Kira](#)

[Marie](#)

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

23/06/2021	Committee referral announced in Parliament, 1st reading		
16/12/2021	Referral to associated committees announced in Parliament		

## Technical information

Procedure reference	2021/0104(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 2004/109 <a href="#">2003/0045(COD)</a> Amending Directive 2006/43 <a href="#">2004/0065(COD)</a> Amending Directive 2013/34 <a href="#">2011/0308(COD)</a> Amending Regulation 2014/537 <a href="#">2011/0359(COD)</a>
Legal basis	Rules of Procedure EP 57; Treaty on the Functioning of the EU TFEU 114; Treaty on the Functioning of the EU TFEU 050
Mandatory consultation of other institutions	<a href="#">European Central Bank</a>
Stage reached in procedure	Awaiting committee decision
Committee dossier	JURI/9/05887

## Documentation gateway

Legislative proposal	<a href="#">COM(2021)0189</a>	21/04/2021	EC	Summary
Document attached to the procedure	SEC(2021)0164	22/04/2021	EC	
Document attached to the procedure	SWD(2021)0150	22/04/2021	EC	
Document attached to the procedure	SWD(2021)0151	22/04/2021	EC	

European Central Bank: opinion, guideline, report	N9-0082/2021 <a href="#">OJ C 446 03.11.2021, p. 0002</a>	07/09/2021	ECB	
Committee draft report	<a href="#">PE700.458</a>	16/11/2021	EP	
Amendments tabled in committee	<a href="#">PE703.020</a>	14/12/2021	EP	
Amendments tabled in committee	<a href="#">PE703.023</a>	14/12/2021	EP	

## Corporate Sustainability Reporting Directive

**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.