



FOCUS

CSRD – Corporate Sustainability Reporting Directive

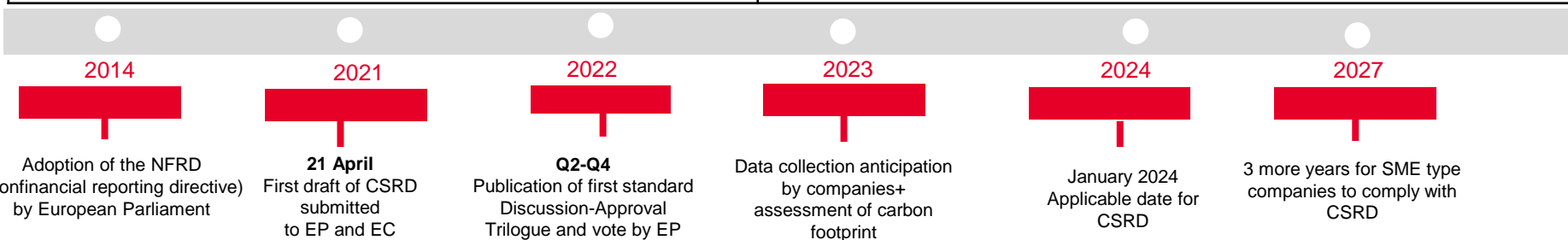
Version 3 – Updated in December 2022

BUILDING TEAM SPIRIT TOGETHER



SOCIETE GENERALE
Corporate & Investment Banking

REGULATORY INITIATIVE	FOCAL POINTS
<p>The European Commission (EC) adopted on 21 April 2021 a proposal for a Corporate Sustainability Reporting Directive (CSRD) in order to amend the existing reporting requirements of the NFRD (Directive 2014/95/UE).</p> <p>This Directive is about Reporting sustainable development of European companies.</p>	<p>As from 2023, thousands of companies will have to follow environmental, social and governance (ESG criteria) impacts.</p> <p>Now the non-financial Reporting will follow precise standards. This is the novelty introduced by CSRD, Corporate Sustainability Reporting Directive proposed in April 2021.</p> <p>4 main changes have been identified:</p> <ol style="list-style-type: none"> 1. Non financial information must meet requirements of stakeholders; 2. CSRD reporting relies on double materiality. Meaning that environmental and financial performances cannot be separate; 3. Reporting based on ESG criteria (Environment, Social and Governance) ; 4. CSRD scope is wider. Number of companies submitted to the reporting goes from 11,600 to more than 50,000 companies. Before, only public interest companies (banks and insurance companies) of more than 500 employees were concerned.



Updated on 15 December 2022

STATEMENT

- ❑ CSR targets mainly all listed companies.
- ❑ But CSR applies also to Companies which fulfil two of the following criteria:
 - ✓ Balance sheet of € 20 millions,
 - ✓ Turnover of € 40 millions,
 - ✓ Employ at least 250 people.
- ❑ 9 November 2022 - European Parliament voted CSR text. Companies put in place new information in 2025.
- ❑ **28 Nov 2022 - Council gives final green light to corporate sustainability reporting directive.**
 - reporting in 2025 on the financial year 2024 for companies already subject to NFRD;
 - reporting in 2026 on the financial year 2025 for large companies that are not currently subject to NFRD;
 - reporting in 2027 on the financial year 2026 for listed SMEs (except micro undertakings), small and non-complex credit institutions and captive insurance undertakings;
 - reporting in 2029 on the financial year 2028 for third-country undertakings with **net turnover above € 150 million** in the EU if they have at least one subsidiary or branch in the EU exceeding certain thresholds

FOR YOUR CONSIDERATION

- ❑ CSR has for objective to impose to European Companies an extra - financial *reporting* precise and complete to integrate in a report published annually.
- ❑ This extra financial reporting , as foreseen by this new and future directive, should permit to improve the disclosure and the communication, the reliance and the quality of information of the company on environmental, social and governance matters.

Contact SGSS/CAO/REG:

Jean-Pierre Gomez & Marie-Claire de Saint-Exupéry



Jean-Pierre.Gomez@sgss.socgen.com

Marie-claire.de-saint-exupery@sgss.socgen.com

To know more please refer to:
Fiche CSR-To KnowMore

"This document is for informational purposes only. Under no circumstance should it, in whole or in part, be considered as an offer to enter into a transaction. This document is not intended to have an advisory character or intended to represent an investment recommendation or a recommendation regarding a certain strategy, product or service. Although information contained herein is from sources believed to be reliable, Société Générale makes no representation or warranty regarding the accuracy of any information and is not responsible for errors of any kind. Any reproduction, disclosure or dissemination of these materials is prohibited. The products and services described within this document are not suitable for everyone. This document is not intended for use by or targeted at retail customers. All of the products and/or services described may not be available in all jurisdictions"