

By PwC Deutschland | 16. November 2022

# Sustainable economy: European Parliament adopts new reporting rules for multinationals

**On 10 November 2022 the Corporate Sustainability Reporting Directive (CSRD) has been adopted by the European Parliament. All large companies in the EU will need to disclose data on the impact of their activities on people and the planet and any sustainability risks they are exposed to.**

The Corporate Sustainability Reporting Directive (CSRD) will make businesses more publicly accountable by obliging them to regularly disclose information on their societal and environmental impact. This would end greenwashing, strengthen the EU's social market economy, and lay the groundwork for sustainability reporting standards at global level.

To ensure companies are providing reliable information, they will be subject to independent auditing and certification. Financial and sustainability reporting will be on an equal footing and investors will have comparable and reliable data. Digital access to sustainability information will also have to be guaranteed.

### Scope

The new EU sustainability reporting requirements will apply to all large companies, whether listed on stock markets or not. Non-EU companies with substantial activity in the EU (with a turnover over €150 million euro in the EU) will also have to comply. Listed SMEs will also be covered, but they will have more time to adapt to the new rules.

### Next steps

The Council is expected to adopt the proposal on 28 November, after which it will be signed and published in the EU Official Journal. The directive will enter into force 20 days after publication. The rules will start applying between 2024 and 2028:

- From 1 January 2024 for large public-interest companies (with over 500 employees) which are already subject to the non-financial reporting directive, with reports due in 2025.
- From 1 January 2025 for large companies that are not presently subject to the non-financial reporting directive (with more than 250 employees and/or €40 million in turnover and/or €20 million in total assets), with reports due in 2026.
- From 1 January 2026 for listed SMEs and other undertakings, with reports due in 2027. SMEs can opt-out until 2028.

### Source:

European Parliament, [Press Release of 10 November 2022](#).

### Schlagwörter

[Corporate Reporting](#), [Sustainability Reporting](#)