

Position Paper

Sustainable business calls for implementation of the Corporate Sustainable Reporting Directive as of 2024

Brussels, 17 March 2022

Ecopreneur.eu - the European Sustainable Business Federation - and its seven member organisations **welcome** the official proposal¹ for a Corporate Sustainability Reporting Directive (CSRD) that was published by the European Council under the leadership of the French Presidency on 18.02.2022.

However, we strongly disapprove of the 2-3 year delay proposed for companies already subject to the Non-Financial Reporting Directive (NFRD) and instead advocate to make the directive **mandatory for reporting as of financial year 2024**, launch **massive information campaigns** for companies and give **maximum support to the European Financial Reporting Advisory Group (EFRAG)** to finalise the European non-financial reporting standard in time.

The CSRD is designed to provide a **common sustainability reporting standard** for providing reliable, comparable, relevant and timely information on sustainability risks, opportunities and impacts to financial and other key stakeholder to nearly 50,000 companies of public interest, a significant increase from the 11,000 companies that have been subject to the current requirements in the EU so far.

Ecopreneur.eu welcomes the **increased level playing field** this directive can bring by providing transparent information to investors on sustainable projects and frontrunners of the green economy. This includes the extension to non-EU parent undertakings and listed SMEs, simplified standards for small and medium sized companies (SMEs) of public interest that could be used by non-listed SMEs on a voluntarily basis, as well as the strengthened possibility for SMEs to limit the information to be provided (except for SMEs which are also parent companies of large undertakings).

However, Ecopreneur.eu **strongly disapproves of the Council's proposal for a 2-3 year delay** compared to the Commission's timeline for companies that are not subject to the existing Non-Financial Reporting Directive (NFRD) by granting them until 2026 (large companies) or even 2027 (listed SMEs) to start reporting under the CSRD. Such a delay would **cause companies concerned to "sit back and relax"** for one or two years instead of getting ready now – as one of our members already experiences from a decreasing interest from companies in their NFRD information campaign. It would also clearly **contradict** the Council's own call for "rapid adoption", create an **uneven playing field** for companies already falling under the NFRD and lead to **transparency gaps** for stakeholders and **increased risks for investors**.

(...)

¹ <https://data.consilium.europa.eu/doc/document/ST-6292-2022-INIT/en/pdf>

Instead, Ecopreneur.eu calls on EU lawmakers to:

1. Give all companies concerned a 1-year delay by granting them **until 1 January 2025** to start reporting under the CSRD **on the financial year 2024**.
2. **Stimulate and support member states' governments to launch massive information campaigns** for all companies concerned, and especially for SMEs. Given the current limited reporting requirements and lack of know-how, companies are in dire need of professional guidance and hands-on capacity building. To warrant a proper implementation of the CSRD under a timely schedule and make sure that companies will be able to comply to it, Ecopreneur.eu therefore calls on both the European Commission and EU Member States to provide sufficient funding for capacity building programmes, especially for education and training measures, and make sure all standards and manuals are available for free and in time – by 1 January 2024, allowing companies to gather the needed information throughout the reporting period.
3. As a pre-requisite for an effective implementation of the CSRD and related capacity building programmes, we also urge the Commission to **provide the EFRAG all the support** they need to finalise the development of a European non-financial reporting standard in due time.

In this way the delay proposed by the Council can be **avoided** while proper implementation of the Directive is **improved**.

About Ecopreneur.eu

Ecopreneur.eu is the European Sustainable Business Federation of currently seven national associations representing about 3000 sustainable companies - mostly SMEs. A member of the Coordination Group of the European Circular Economy Stakeholder Platform, Ecopreneur.eu is the *only* cross-sectoral EU business organisation committed to ambitious measures, rules and regulations for a low-carbon circular economy. We advocate a new economic framework in which sustainability is promoted, the environment respected, and ecological principles are followed. Ecopreneur.eu and our members bring concrete experience from pioneering companies into the political debate, show best practice examples and represent the needs of green SMEs in a credible way.

Contact information

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