

This is the section from the European Overview of the rules related to corporate and investment community sustainability reporting

There are two principal new/ emerging directives that, if you are part of the investment community or corporate presentation, should be of interest, commercially speaking.

1. CSRD, or the [Corporate Sustainability Reporting Directive 2022/2464](#), which entered into force January 2023; commission pages [here](#), from which: 'it modernises and strengthens the rules concerning the social and environmental information that companies have to report. A broader set of large companies, as well as listed SMEs, will now be required to report on sustainability. Some non-EU companies will also have to report if they generate over EUR 150 million on the EU market. Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS). The standards are developed in a draft form by the [EFRAG, previously known as the European Financial Reporting Advisory Group](#), an independent body bringing together various different stakeholders.

2. [CS3D](#). This is the Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937. The CSRD sets the framework for sustainability reporting, while the CS3D aims to ensure responsible corporate conduct. From the [Commission pages](#): 'CSDDD will require EU Member States to designate supervisory authorities to supervise compliance with its obligations and will require in-scope companies to undertake risk-based human rights and environmental due diligence to identify and assess actual and potential adverse impacts, and (as appropriate) prevent, mitigate, bring to an end and remedy such impacts in their operations and "chain of activities" (as defined). The CS3D enters into force July 25, 2024, meaning national laws by 26 July 2026.

The above directives, the Sustainable Finance Disclosure Regulation ([SFDR](#)) and the Taxonomy Regulation ([TR](#)) represent the four key constituents of the 'Green deal'. [This analysis](#) of the four from White & Case July 8, 2024 is extremely helpful in explaining their roles.

Some other legal commentary

MAMO TCV [on CSRD](#) July 4, 2024

[CS3D Adopted Against All Odds](#). Morgan Lewis Apr 25, 2024

[Glossary: Sustainability in the EU](#)

Grant Thornton NL June 26, 2024

[Greenwashing: ESAs publish Final Reports](#)

Arthur Cox/ Lex June 4, 2024

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