

## CDSB's feedback on the Corporate Sustainability Reporting Directive (CSRD)

CDSB welcomes the publication of the Corporate Sustainability Reporting Directive. As highlighted by our latest [research](#) on the state of EU environmental disclosure in 2020, the current NFRD was not providing investors with the material climate and environmental information they need to assess and understand companies' development, performance, position and impact

The CSRD is therefore a step in the right direction to ensure the necessary quality, decision-usefulness, consistency, comparability and coherence of the information disclosed by undertakings (see also our discussion [paper](#) on what climate decision-useful information for investors means).

CDSB is happy to see a number of its suggestions reflected in the proposed Directive, as they have the potential to strengthen the quality of sustainability information, including:

- The mandatory inclusion of the information in the management report;
- The extension of the scope of companies to include all large undertaking of more than 250 companies;
- The requirement to make sustainability information available in a digital and machine-readable way alongside the European Single Electronic Format for financial information; and
- The strengthening of assurance, governance and supervisory mechanisms to ensure that sustainability information is put on an equal footing with financial information.

However, we believe that the proposal still needs improvements to be able to fully achieve its intended purpose for the benefits of both users of sustainability information and preparers. We support such improvements and clarifications when it comes to :

- Further granularity, consistency and connectivity of reporting requirements, including with regards to the TCFD Recommendations;
- Clearer definition of the double materiality principle to take into account of different stakeholder needs and ensure a dynamic and interconnected relationship between different material lenses; and
- Specification of the process, governance and roadmap for the development of European sustainability reporting standards, with further specifications of the entire adoption process and the role and work of EFRAG in advising the European Commission, building on and complementing existing reporting standards and frameworks in a co-constructed mode and in light of the establishment of an International Sustainability Standards Board.

Please refer to our position paper attached for further details on these topics and more. We have also developed a series of briefings on specific topics in the corporate reporting space ([TCFD and climate](#) disclosures, [water](#), and [biodiversity](#) disclosures). On the two latter, we will be releasing further guidance to the market soon as these reporting areas remain underdeveloped to date.

Lastly, we would like to take the opportunity of this consultation to ask for a fixing of our name in recital 37 from Carbon to Climate Disclosure Standards Board.

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