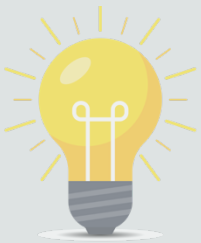
What does the Corporate Sustainability Reporting Directive mean for universities?

Key facts

The European Union's Corporate Sustainability Reporting Directive (CSRD), adopted in 2022, requires companies to report on their impact on people and the environment, as well as how social and environmental issues create financial risks and opportunities for the company.



Which companies need to report?

- All large companies
- Small and medium-sized companies (SMEs) listed in EU-regulated markets*
- Non-EU companies with at least one branch or subsidiary in the EU and generating more than €150 million in net turnover in the EU market

Note: the types of companies within the scope of the CSRD could change under proposals to amend the directive.

What has changed?

Reported information must follow the European Sustainability Reporting Standards (ESRS) and undergo an audit for verifications. Companies must conduct a double materiality assessment to evaluate both its impact on people and environment and the potential financial implications.

Implementation timeline

Implementation will be phased in based on company size and type, beginning with large companies. The first reports, covering data from the 2024 financial year, are expected to be published in 2025.

Note: the timeline could change under proposals to amend the directive.

Purpose of sustainability reporting

Reporting this information enables stakeholders (investors, civil society, and media) to understand the sustainability impact of companies' operations, evaluate associated financial risks, and promote accountability and transparency to the public.

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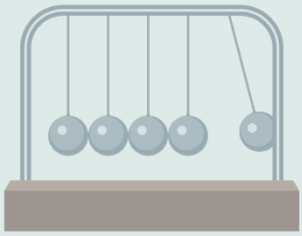
How does this directive impact universities?

Public universities are in principle outside the scope of the CSRD in its current form. However, the directive provides a comprehensive and standardised framework which universities can use on a voluntary basis to report information.



Obligation for some universities to report
Some for-profit universities and university-owned companies (spin-offs, start-ups, etc.), might also be subject to this regulation.

Data collection and reporting for partners
Companies that partner with universities may require them to collect data. Established reporting mechanisms can also provide a competitive advantage in new collaborations.

Reporting requirements to regulators & funders
Regulators & funders may require this type of information as part of universities' reporting obligations.

Expertise development
These developments make it all the more important for universities to develop internal expertise in sustainability reporting.

University activities & opportunities

Reporting
Universities can use the standardised framework provided by the CSRD for their voluntary reporting, including information on sustainable investment practices, impact on environment, society and the economy.

Research
Sustainability reporting creates new opportunities for academic research on sustainability, such as the impact of sustainability regulations on profitability, governance, marketing and management.

Training
As demand for expertise around corporate sustainability reporting grows, universities can leverage their knowledge to adapt curricula, offer courses, certification and other training opportunities.

Support & collaboration
Collaboration within the sector is key to help universities professionalise sustainability reporting activities.

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What information should be reported?

General disclosures

- Information on how the sustainability statement was prepared and disclosures concerning specific circumstances.
- Description of the governance processes, controls and procedures to monitor, manage and oversee sustainability matters.
- Strategy, business model, and value chain in relation to sustainability matters.
- Process to identify and assess material impacts, risks and opportunities and how these interact with the strategy and business model.

Topic-related disclosures

Environment

- Climate change
- Pollution
- Biodiversity and ecosystems
- Circular economy

Social

- Own workforce
- Workers in the value chain
- Affected communities
- Consumers and end-users

Governance

- Business conduct

Further resources

Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU as regards sustainability reporting standards

Directive (EU) 2022/2464 on corporate sustainability reporting

Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (Annex I lists the types of undertakings concerned in each member state)

EU Finance Podcast 13: the one about sustainability reporting

Sustainability Reporting Navigator: An open-source repository of relevant sustainability-related reporting requirements developed by academics from Germany