

ESG



The Non-Financial Reporting Directive (NFRD)

experion
technologies

Introduction

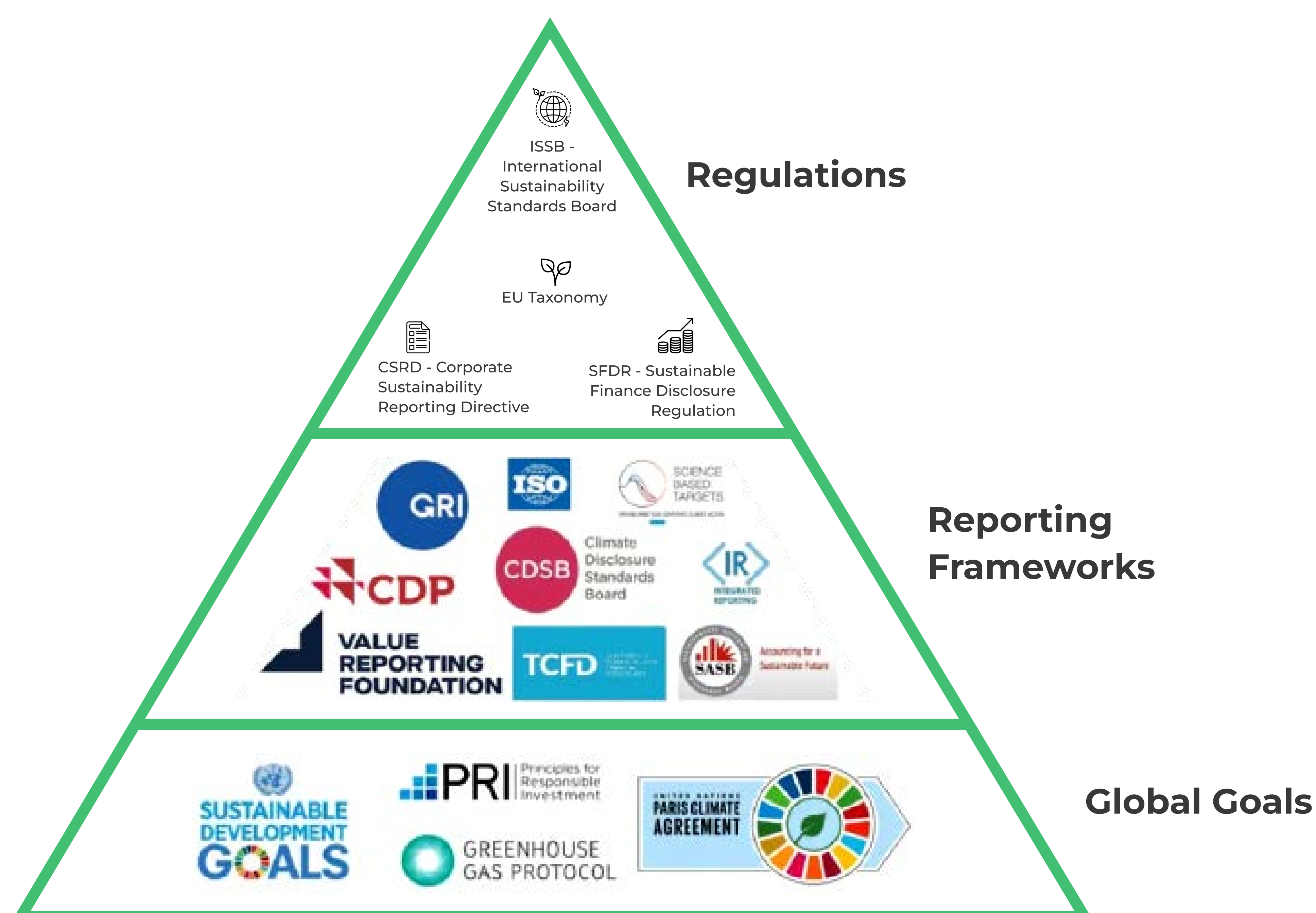
The Non-Financial Reporting Directive (NFRD) - Unlocking ESG Insights for a Sustainable Future. In today's business landscape, environmental, social, and governance (ESG) performance is crucial. The NFRD is a European initiative designed to shed light on a company's non-financial performance, enabling stakeholders to assess its sustainability practices. Let's delve into the NFRD and discover its implications for businesses.

The NFRD in a Nutshell

What is the NFRD? The NFRD mandates that certain companies report on their ESG performance alongside their annual management reports. Its mission? Empowering stakeholders to evaluate non-financial aspects of large businesses and encouraging responsible business practices.

Origins

Proposed by the European Union in 2014, the NFRD came into force in 2016, with the first report due for the financial year 2018.



Who Must Comply?

The NFRD applies to around 11,700 companies and groups within the European Union. Companies that meet at least two of the following

Criteria are included:

- A balance sheet total of EUR 20 million.
- A net turnover of EUR 40 million.
- An average of 500 employees.

Additionally, public-interest entities such as those trading transferable securities, credit institutions, insurance undertakings, and entities designated by Member States fall under the NFRD's scope.

What to Disclose?

The non-financial report under NFRD should include:

Business Model: A concise description of the company's business model.

ESG Policies: An overview of policies related to ESG matters, including implemented due diligence processes.

Outcomes: The results of these policies.

Key Performance Indicators: Non-financial key performance indicators (KPIs) covering environmental, social, human rights, anti-corruption, bribery, and diversity aspects.

Principal Risks: Identification of principal risks associated with these non-financial matters.



experion
technologies

www.experionglobal.com