

## Highlights of 1Q2024

- **CSRD Directive**

One of the extended claims in relation to the various aspects of sustainability performance of the corporates has always been the standardization of the info, methodologies, reports.

A new European Directive according to reporting (CSRD) is about to kick-in, starting from next year (based on 2024 financial year). Numerous companies above a certain size will have to report on many metrics on a more standardized basis. Organizations should be transparent about how they tackle on different ESG aspects and this extends to both the range of indicators that companies need to report on, and the depth of information required over the entire value chain. This would definitely require additional quality controls on the data points and an independent third-party assurance.

As part of our continuous dialogue with companies for the mobilization of sustainability-linked financial instruments, we are finding a general concern on how the KPIs included in the financings could be potentially impacted by the new reporting rules.

Having said that, it would be reasonable to expect the banking community to adopt a constructive approach to the eventual need to reconfigure the indicator or its targeted values, following LMA principles, as we all agree on the benefits of seeking a more robust sustainability reporting ecosystem.