

New corporate sustainability reporting obligation in Hungary

CSRD transposed into Hungarian law

The world of corporate reporting has undergone a transformation with the introduction of the EU-wide directive (CSRD - Corporate Sustainability Reporting Directive). Apart from financial data, companies are now required to disclose non-financial performance indicators. Although the phenomenon of sustainability reporting is not new, the CSRD has significantly broadened the scope and obligations of the former Non-Financial Reporting Directive (NFRD).

In Hungary, the CSRD was transposed into the 2000/C Hungarian Accounting Act, Chapter III/A and Chapter VI/C, effective from the 1st January 2024.







Key features of the new law, that implements the CSRD in Hungary:

- Formerly optional reporting is replaced by mandatory reporting
- Strictly defined reporting standards with qualitative and quantitative metrics (European Sustainability Reporting Standards - ESRS).
- The ESRS introduces the double materiality obligation in materiality assessment.
- Use of European Single Electronic Reporting Format is required
- The sustainability report is to be published together with the annual report
- Mandatory external assurance requirements







Corporate sustainability reporting and compliance can also bring multiple benefits to your organisation

Reporting on sustainability performance is becoming a new standard which may lead to better financing, more investment opportunities, improved corporate reputation, competitive advantages, better risk management and reduced operating expenses.

Effective dates applicable

 <p>FY 2024</p>  <p>Public Interest Entities (PIEs)</p> <p>Large listed public-interest companies that are already subject to NFRD, exceeding at least two of the following criteria:</p> <ul style="list-style-type: none"> • HUF 10 billion in total assets • HUF 20 billion in net turnover • 500 or more employees on average annually • Mandatory reporting in 2025 (for financial year 2024) 	 <p>FY2025</p>  <p>Large EU companies including EU subsidiaries of non EU companies</p> <p>Large entities exceeding at least two of the following criteria:</p> <ul style="list-style-type: none"> • HUF 10 billion in total assets • HUF 20 billion in net turnover • 250 or more employees on average annually • Mandatory reporting in 2026 (for financial year 2025) 	 <p>FY2026</p>  <p>Listed SMEs (excluding micro-entities)</p> <p>Small and medium sized companies listed on an EU-regulated market:</p> <ul style="list-style-type: none"> • excluding micro companies • First reporting in 2027 (for financial year 2026)
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How can PwC help?

 <p>ESG UPSKILLING</p> <p>Upskilling your organisation to get knowledgeable on ESG and CSRD reporting</p>	 <p>READINESS ASSESSMENT</p> <ul style="list-style-type: none"> ☐ CSRD readiness scan ☐ CSRD/ESRS gap assessment ☐ ESG KPI reporting process maturity scan 	 <p>DOUBLE MATERIALITY</p> <ul style="list-style-type: none"> ☐ Preparation of double materiality assessment ☐ Review of double materiality assessment
 <p>ENVIRONMENTAL FOOTPRINT</p> <ul style="list-style-type: none"> ☐ GHG Protocol Scope 1, Scope 2 and Scope 3 carbon footprint calculation ☐ Emissions calculations based on the PCAF methodology ☐ Life-cycle assessment 	 <p>REPORTING & ASSURANCE</p> <ul style="list-style-type: none"> ☐ Preparation of sustainability report ☐ Assurance on sustainability report ☐ Assurance of certain ESG indicators ☐ Preconditions assessment ("pre-assurance") 	 <p>AUXILIARY SERVICES</p> <ul style="list-style-type: none"> ☐ Support for compliance with the EU Taxonomy Regulation ☐ Support for compliance with the Sustainable Finance Disclosure Regulation (SFDR)

For more information please contact



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