

THE EUROPEAN APPROACH TO SUSTAINABILITY:

Brief Summary

ESRS STANDARD

WHAT US BUSINESS
SHOULD BE AWARE OF



ESRS Standard (CSRD Legislation)

1. How CSE can help a company with ESRS

Tailored ESG Consulting:

CSE can guide companies through the **ESRS compliance** process, offering specific consulting services on aligning with ESRS requirements in the most effective way, including **Double Materiality** and **Gap Analysis Assessment**.

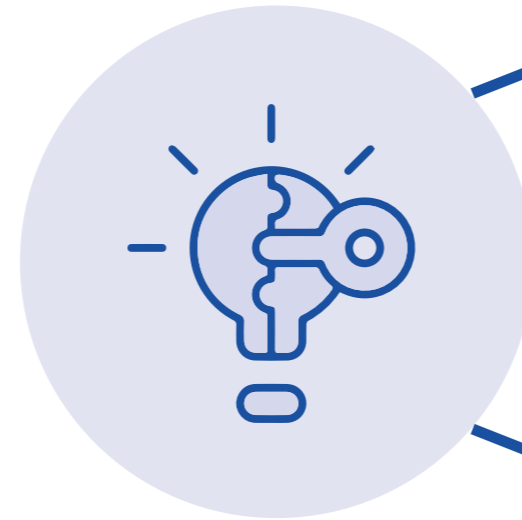
ESRS Reporting and Assurance Support:

CSE can assist in enhancing the quality of sustainability reporting based in ESRS standards or provide assurance services to validate the information disclosed according to the ESRS guidelines.

Training and Capacity Building:

CSE provides official in-house **training programs of ESRS** (as a training partner of GRI) that can help companies understand and implement ESRS requirements effectively, ensuring they meet ESRS requirements.

2. Key highlights of the ESRS disclosures:



Double Materiality: Companies must assess and report on both financial and impact materiality, considering how sustainability issues affect their business and stakeholders.

Scope of ESG Reporting: Reporting extends across the value chain, including disclosures on climate change, biodiversity, and social aspects.

External Assurance: CSRD requires limited external Assurance of Double Materiality and ESRS disclosures of ESG Reports.

3. First four important steps a company must take to implement the ESRS standard

1

Understand ESRS Requirements:

Familiarize with the Double Materiality concept and the specific ESRS that apply to the company's operations.

2

Double Materiality Assessment:

Conduct a thorough materiality analysis to identify which sustainability topics are significant to the company and its stakeholders.

3

Gap Analysis and Data Collection:

Set up systems to collect reliable data for ESRS reporting, including Scope 1, 2, and relevant Scope 3 GHG emissions.

4

ESG Report Preparation:

Develop sustainability reports that comply with ESRS, ensuring accuracy, transparency, and adherence to the new standards.

4. Compliance dates and which companies are affected:

Compliance Phasing and timetable:

The ESRS will be phased in starting 2025, with companies having different compliance timelines based on their size and the complexity of their operations.

Affected Companies:

All companies that are large or listed, including non-EU companies operating in the EU, need to comply with the ESRS under the Corporate Sustainability Reporting Directive (CSRD) if they meet two of the following criteria:

1. Over 250 employees.

2. More than 40€ million in annual revenue.

3. More than 20€ million in total assets.



Also, publicly listed equities that have more than 10 employees or 20€ million revenue and International, non-EU companies, with more than 150€ million annual revenue within the EU and which have at least one subsidiary or branch in the EU exceeding certain thresholds will have to comply.

From 1 January 2024

Companies already subject to the Non-Financial Reporting Directive (reporting on 2023 on 2024 data).

From 1 January 2026

Listed SMEs and other companies (reporting in 2027 on 2026 data); SMEs can opt-out until 2028

From 1 January 2025

Large companies not currently subject to the Non-Financial Reporting Directive (reporting on 2026 on 2025 data).

From 1 January 2028

Non-EU companies with significant undertakings in the EU (reporting in 2029 on 2028 data).

5. What ESG frameworks are included:

The ESRS are designed to be interoperable with global standards such as the Global Reporting Initiative (GRI) and GHG Protocol. This alignment aims to streamline reporting processes and reduce duplication of efforts for companies that report in multiple jurisdictions.

HOW CSE CAN HELP WITH ESRS

CSE is a pioneer, award-winning organization in sustainability, established in 2005, empowering companies and professionals globally through Certified Training Programs and specialized ESG services.

www.cse-net.org

READY TO TURN INSIGHTS INTO ACTION?

FIND MORE ESG RESOURCES AT OUR ESG HUB

<https://cse-net.org/esg-hub/>



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