

**ACCOUNTANCY  
EUROPE.**

# ***Corporate Sustainability Reporting Directive: EU developments***

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**KACR ESG reporting and its audit: myths and facts**

*20 June 2024, Prague, Czech Republic*



**CLOSE TO 1 MILLION  
PROFESSIONALS**



**26 EU  
MEMBER STATES**



**50 INSTITUTES**



**35 COUNTRIES**

## WHAT WE DO



Facilitate members **cooperation**



**Dialogue with** policymakers



Help shape the profession's **future**

# 3

## OUR STRATEGIC PRIORITIES

Support a **sustainable & just transition**

Advance the **corporate governance ecosystem**

Shape the **profession's future & attractiveness**

### ONGOING ACTIVITIES

- Corporate reporting
- SMEs (LCE)
- Tax

- Anti-money laundering
- Public sector
- Ethics

- Professional bodies' roles
- Digitalisation
- ...

# CSRD – key changes

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- Expanding **scope** for all listed & large companies, from 12k to 42.5k companies
- Mandatory reporting in accordance with **European standards (ESRS)**
- **Digital tagging** of reported sustainability information in accordance with digital taxonomy
- **Requirement for (limited) assurance** over sustainability reporting
- Law transposition in EU Member States to be done **by 6 July 2024**

# CSRD transposition status (EEA countries)



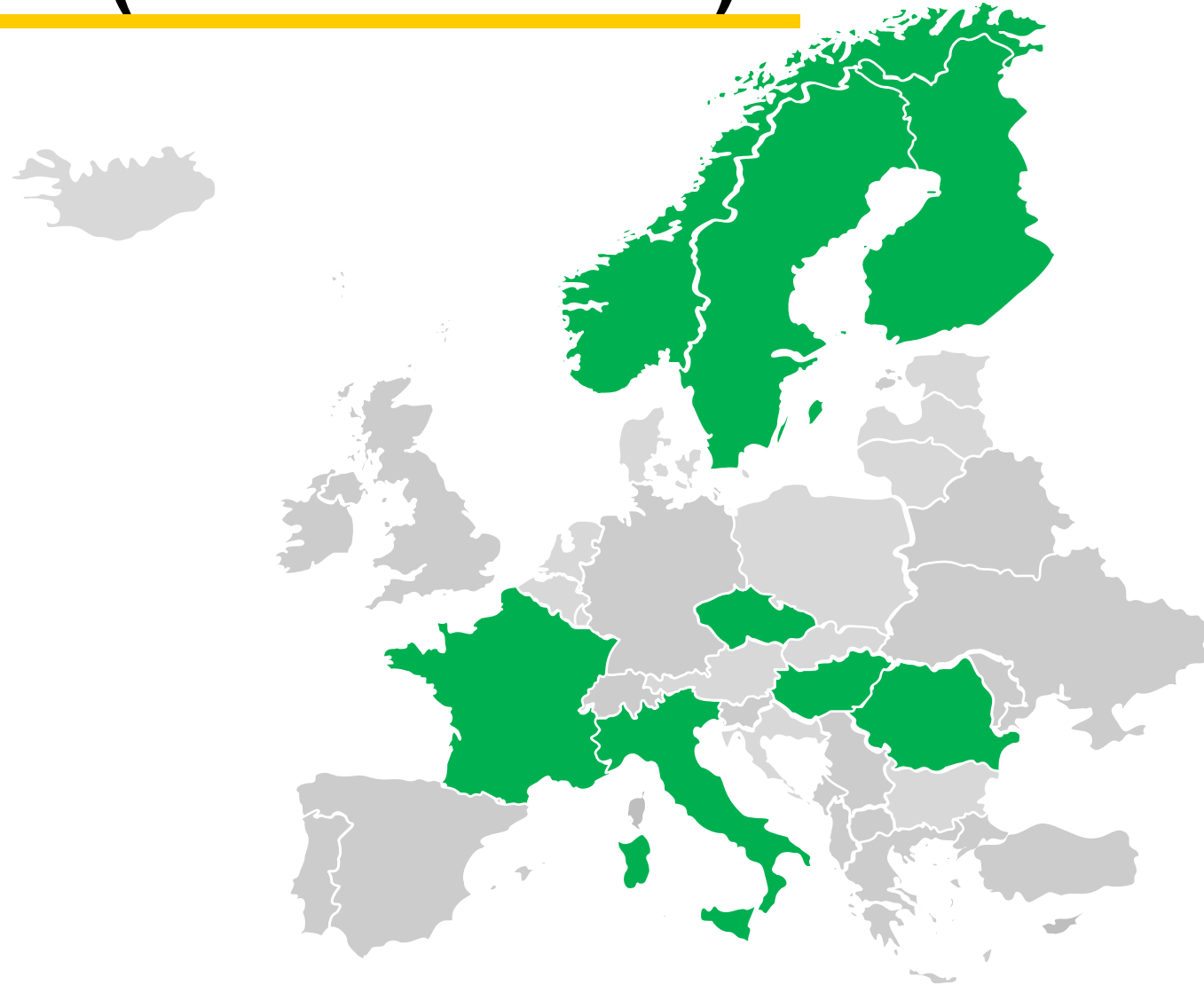
## Transposed

- Czech Republic\*
- Finland
- France
- Hungary
- Italy
- Romania\*
- Norway
- Sweden

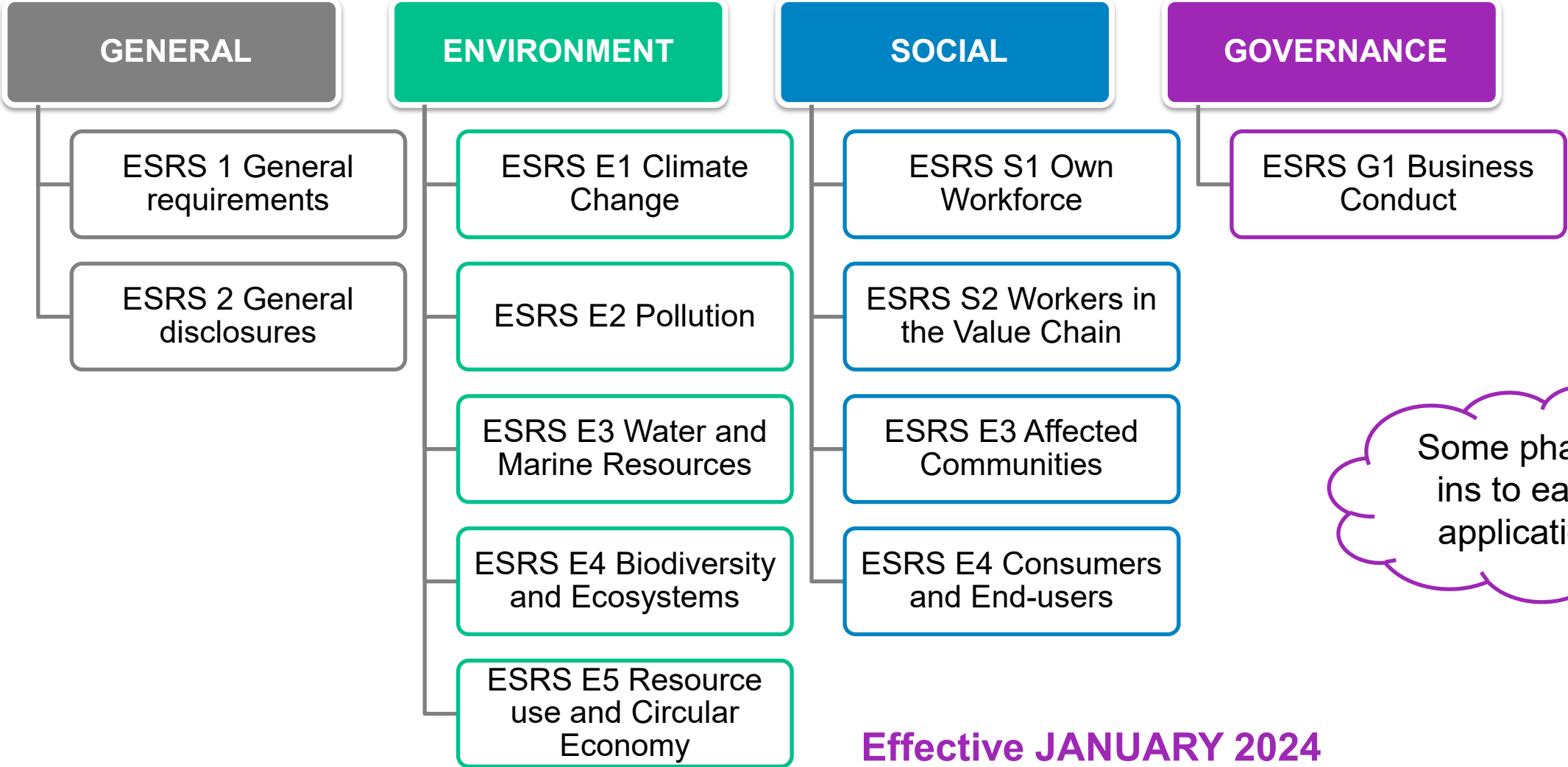
\*CSRD has been partially transposed

## National assurance standard/guidance

- Czech Republic
- Finland
- France
- Italy
- Sweden



# ESRS – Overview of Set 1



# CSRD: digitalisation

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- CSRD requires companies to **digitally tag** information so that it is machine-readable for use in the European Single Access Point (ESAP)
- EFRAG to develop the digital taxonomy for ESRS Set 1 & EU Taxonomy Article 8 XBRL Taxonomy
  - \* *approval scheduled for July 2024* \*
- ESMA to define the tagging rules & cost-benefit analysis
- EC to adopt a delegated act amending ESEF Regulation



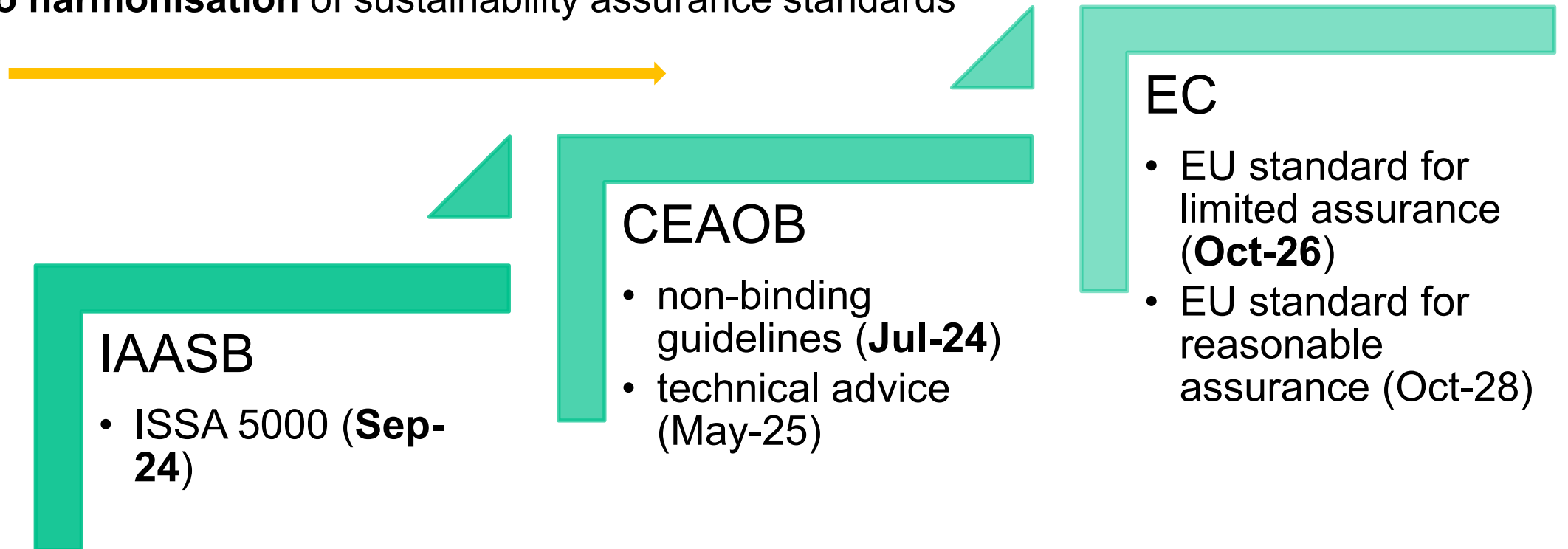


- EC shall adopt EU assurance standards **via delegated acts**:
  - **limited assurance standards** by 1/10/2026
  - **reasonable assurance standards** by 1/10/2028
    - \*following EC's assessment whether reasonable assurance is feasible for auditors and companies\**
- MS may apply national assurance standards, procedures or requirements before the EC adopts assurance standards
- Auditors and IASPs to apply EU assurance standard

# CSRD: EU assurance standards

(2/2)

- **2025** first sustainability assurance engagements under CSRD over 2024 ESRS reporting
- **No harmonisation** of sustainability assurance standards



# Corporate sustainability due diligence directive - formally adopted!

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- **Scope:** only very large companies
- Phased-in approach
  - **First wave in 2027**
    - companies with over 5000 employees and 1500 mill turnover
    - non-EU with 1.5 billion turnover in the EU
- **Risk assessment** of company's chain of activities
- Obligation to **adopt a climate transition plan** & report under CSRD
- Option to use **independent verification** of the compliance with CSDDD's provisions

# THANK YOU

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