

Webcast | CSRD in Action

# *ESRS draft 9 June 2023: what has changed?*



# Who



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# Welcome

- With the button ‘[Ask a question]’ you can ask your questions directly
- For other questions, please contact your PwC contact or one of the presentors
- Webcast and presentation will be made available afterwards
- We appreciate your feedback through the evaluation form

# Purpose of today

1. Status of the draft Delegated Act
2. What are the proposed changes
3. What to do now?
  - If you already started
  - If you are about to get started



# Poll – Did you start on the CSRD already?

- A. My company is working hard to become CSRD ready
- B. We have not started yet with CSRD, but are planning to do so soon
- C. We have not started yet with CSRD, as we are waiting for legislation to become final

# Legal status



The European Commission (EC) shall adopt **delegated acts**, by **30 June 2023**, to provide for ESRS



Taking into consideration the **technical advice** provided by European Financial Reporting Advisory Group (EFRAG)



*Today*



22 November 2022

- EFRAG published its **technical advice** after public consultation

9 June 2023

- EC opened draft delegated act for feedback for **4 weeks** (until 7 July 2023)

~Aug / Sept 2023

- **Final delegated act** + provide **final sector-agnostic ESRS**

As of January 2024

- **Should** European Parliament or Council **not object**
- Applicable for undertakings that were already subject to the **NFRD**

June 2024 a.o.





- EC is expected to adopt **additional delegated acts** for additional set of standards.
- The CSRD requires the EC to adopt **by June 2024 additional standards**

# ESRSs remain unchanged

But with certain nuances and amendments

The EC has issued “near final” ESRS

12 draft ESRS (sector-agnostic standards)

 <b>Cross-cutting Standards</b>	 <b>Environment</b>	 <b>Social</b>	 <b>Governance</b>
<b>ESRS 1</b> <u>General requirements</u>	<b>ESRS E1</b> <u>Climate change</u>	<b>ESRS S1</b> <u>Own workforce</u>	<b>ESRS G1</b> <u>Business Conduct</u>
<b>ESRS 2</b> <u>General disclosures</u>	<b>ESRS E2</b> <u>Pollution</u>	<b>ESRS S2</b> <u>Workers in the value chain</u>	
	<b>ESRS E3</b> <u>Water and marine resources</u>	<b>ESRS S3</b> <u>Affected communities</u>	
	<b>ESRS E4</b> <u>Biodiversity and ecosystems</u>	<b>ESRS S4</b> <u>Consumers and end-users</u>	
	<b>ESRS E5</b> <u>Resource use and circular economy</u>		



12 standards

~250 pages

>80 DRs

## Impact of the CSRD

### Limited Assurance

- Disclosures will be subject to limited assurance (reasonable assurance after 2028)
- Assurance provided by the statutory auditor (EU member state can allow other providers)

### Mandatory disclosures

- **ESRS 2** is mandatory for all companies,
- Topical ESRS standards expand disclosure requirements mandated by cross-cutting ESRS standards

### Double materiality assessment

- A **double materiality assessment** will need to be conducted to determine disclosures

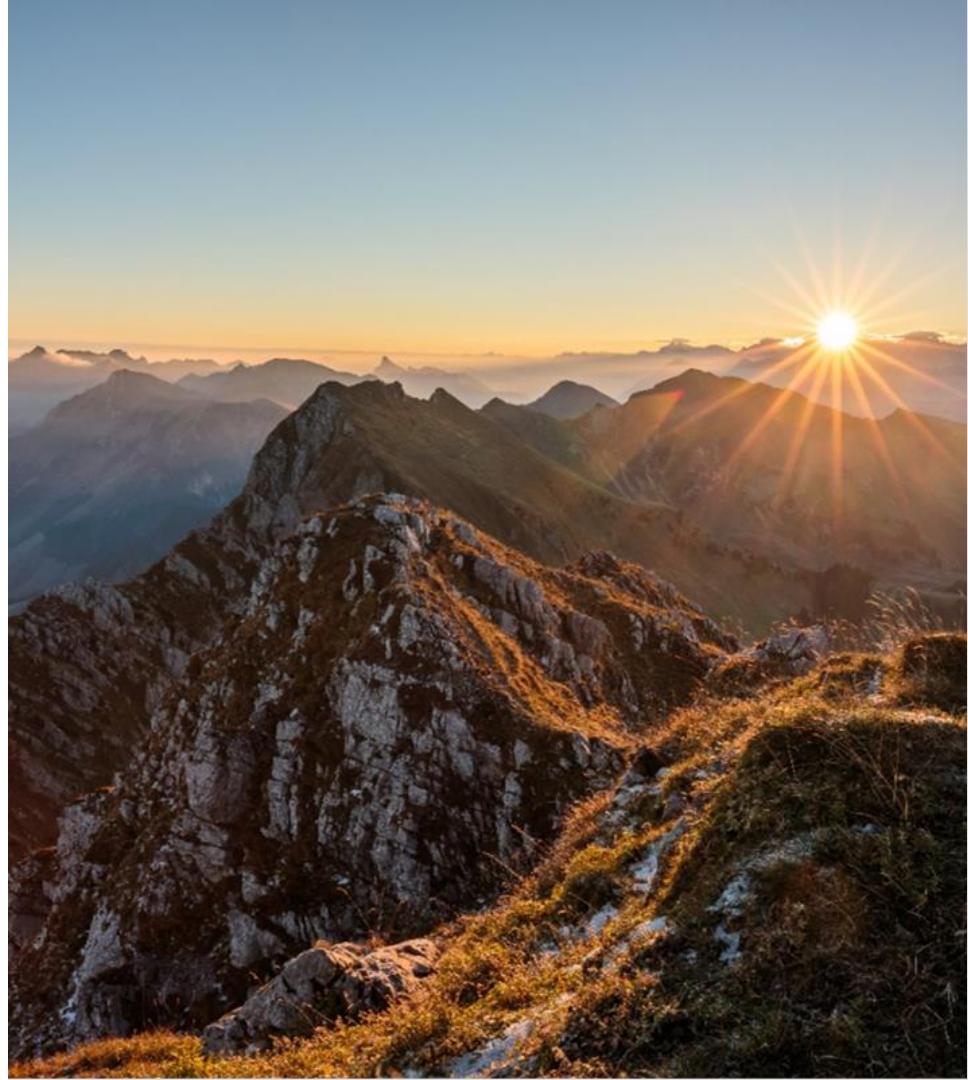
# The key changes at a glance

1	Materiality	<ul style="list-style-type: none"><li>ESRS <b>E1</b> and ESRS <b>S1</b> are now also subject to materiality assessment and <b>no longer mandatory for all</b>.</li></ul>
2	Phasing-in	<ul style="list-style-type: none"><li>New phase-in provisions for undertakings and groups <b>with less than avg. 750 employees</b></li><li>New phase-in provisions for E1-E5 <b>anticipated financial effects</b>: year 1 may be omitted, years 1-3 can include qualitative information only</li></ul>
3	Clarifications	<ul style="list-style-type: none"><li><b>Clarifications</b> around value chain data and due diligence</li><li>Clarification on omitting <b>classified or sensitive information</b> (even if material)</li></ul>
4	General disclosures	<ul style="list-style-type: none"><li>Content and structure of ESRS 2 is <b>largely unchanged</b>, with some exceptions</li></ul>
5	Alignment ISSB & GRI	<ul style="list-style-type: none"><li>Modifications to ensure high degree of <b>interoperability</b> with ISSB and GRI</li></ul>

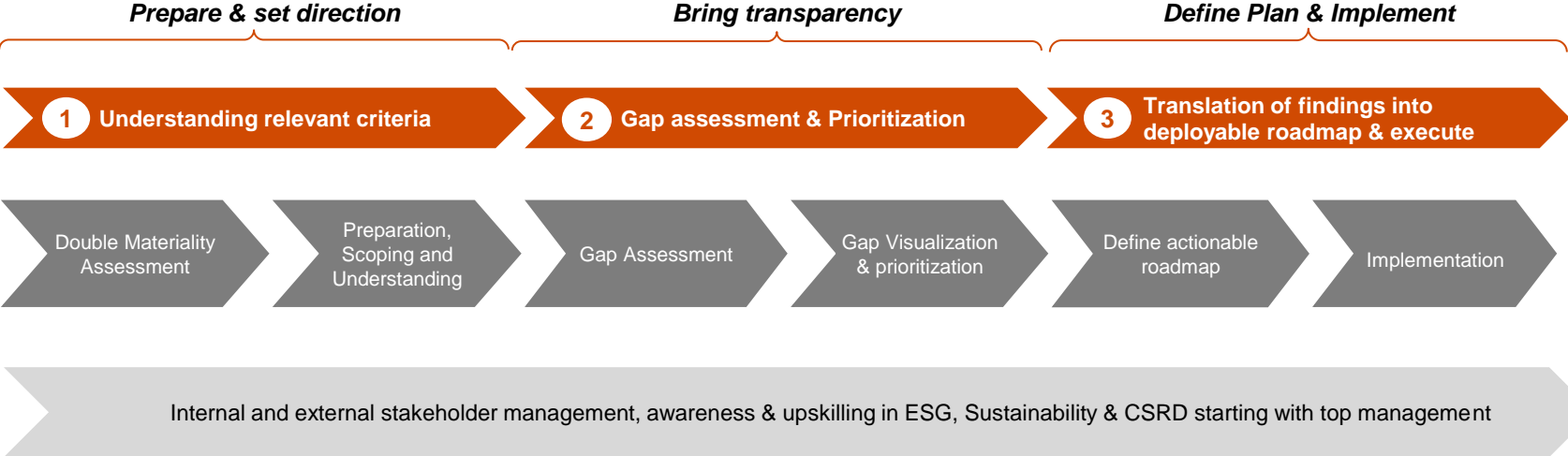


# What to do now?

- **What does this mean for my “CSRD readiness journey”?**
- **I have already started →**  
*Do I need to start again?*
- **I want to start →**  
*Should I wait?*



# CSRD readiness journey



## **WAVE 1 organizations**

*Large listed companies (currently already reporting under NFRD)*

*As of AR2024*

Keep going! / Get started!

### Focus next 6 month

- Double Materiality
- Policies & Targets
- Data & metrics in place
- Engage wider organization (not just Finance & Sustainability !)

## **WAVE 2 organization**

*250 employees / €40mln Net Rev / €20mln BS  
- Meeting 2 out of 3 criteria –*

*As of AR2025*

Keep going! / Get started!

### Focus next 6 month

- Double Materiality
- Gap assessment
- Actionable roadmap for 2024
- Engage wider organization (not just Finance & Sustainability !)

# Questions?

Please let us know:

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