

FUĴÎTSU

Discussion on the Cross-cutting and Governance Standards for Sustainability Reporting (CSRD framework)

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- European Sustainability Reporting Standard (ESRS)
 - Architecture
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 - Timelines

CSRD - Corporate Sustainability Reporting Directive



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11,700 (NFRD) - 49,000 (CSRD)



- All listed companies with over 500 employees on EU-regulated markets; and
- All large companies that fulfill two of these three criteria:
 - over 250 employees;
 - €40 million net revenue; and
 - ≥ €20 million on the balance sheet.
- Listed SMEs
- Non-EU firms with a net turnover of €150 million and at least one significant subsidiary or branch in the EU .
- Subsidiaries of global non-EU firms are only exempt from having to report when their non-financial information is included in the parent company's consolidated management report.

Timeframe



2025) for companies already subject to the NFRD (listed companies with over 500 employees);

2026) for companies that are not presently subject to the NFRD; and

2027) for listed SMEs, small and non-complex credit institutions and captive insurance undertakings.

Where should be reported



In the management report which is generally included in the annual report.

Format that should be reported

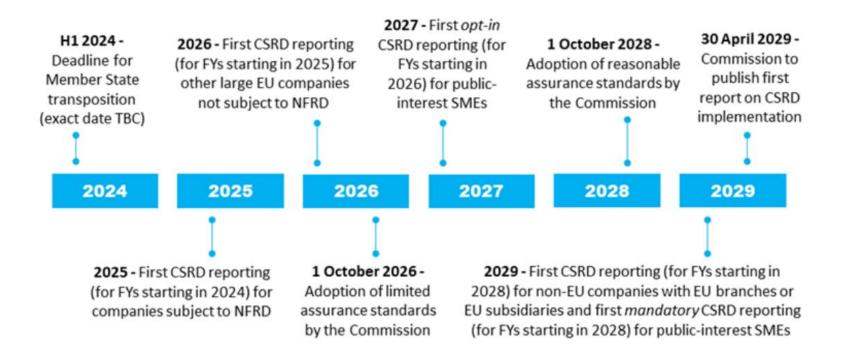
Electronic format (in XHTML format in accordance with ESEF regulation)

Assurance

Mandatory Assurance (ESRS compliance)
Limited assurance to move to reasonable in the future as the reporting framework evolves

CSRD Adoption Timeline





ESRS - Architecture in detail



European Sustainability Reporting Standards (ESRS) implementation prioritization / phasing-in

CROSS-CUTTING STANDARDS

ESRS 1

General Principles

ESRS 2

General, strategy, governance and materiality assessment disclosure requirements

ENVIRONMENT

ESRS E1

Climate change

FSRS F2 Pollution ESRS E3

Water and marine resources

ESRS E4

Biodiversity and ecosystems

ESRS ES

Resource use and circular economy

SOCIAL

FSRS S1

Own workforce

FSRS S2

Workers in the value chain

ESRS S3

Affected communities

FSRS S4

Consumers and endusers

GOVERNANCE

APPENDICES

ESRS G1

Governance, risk management and internal controls

ESRS G2

Business conduct

Appendix I

Navigating the ESRS

Appendix II CSRD

Requirements

Appendix III SEDR Adverse

Impacts in the ESRS

Appendix IV

TCFD and ESRS reconciliation table

Appendix V IFRS S1+2 /

ESRS reconciliation table

Appendix VI

Acronyms and glossary terms

Key aspects



- Current status: the CSRD is now finalized and the ESRS are still under development.
- Double materiality approach
- ESRS Reporting would capture forward-looking and retrospective qualitative and quantitativeacross short, medium, and long-term time horizons.
- Reporting boundaries would include the upstream/downstream value chain as needed to capture material sustainability matters.
- Relevant, reliable, comparable, and understandable.
- Alignment with international frameworks and EU Directives



Thank you



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