

European Sustainability Reporting Regulations

European Sustainability Reporting Regulations

The European Union is committed to a sustainable economy by 2050, where climate neutrality is one of the goals. This commitment is outlined in the European Green Deal, a set of ambitions defining Europe's strategy for reaching this goal. The initiative includes enhancing awareness among investors and society about sustainability policies from companies. Focusing on the impact companies have on people and the environment, as well as the influence of environmental and social issues on companies.

The Corporate Sustainability Reporting Directive

The European Parliament adopted the Corporate Sustainability Reporting Directive (CSRD) in 2022. The CSRD outlines reporting requirements for both large companies and small, public-interest entities on sustainability. The application of the CSRD is contingent on the size of the company.

2024	2025	2026
Listed companies	Large companies	Small listed companies
With > 500 employees	> €50 mln turnover; > €25 mln balance > 250 employees	Except micro-enterprises

The European Sustainability Reporting Standards

The European Sustainability Reporting Standards (ESRS) serve as the reporting framework for implementing the reporting requirements of the CSRD. Comprising 12 standards, including two general standards and ten theme-specific topics, the ESRS provides a comprehensive structure for sustainability reporting.

The ten topics encompass a total of 82 (sub) sub topics. Whether or not these topics apply to a company is determined by means of a double materiality assessment.

ESRS 1 General terms		ESRS 2 General explanations
E1 Climate change	S1 Employees	G1 Governance
E2 Pollution	S2 Employees in the value chain	
E3 Water		
E4 Biodiversity	S3 Communities	
E5 Waste / circularity	S4 Consumers	

Important changes

The CSRD introduces significant changes, including:

- The use of the double materiality principle to assess and report on the impact on both the organisation and the value chain concerning people and the environment.
- Sustainability reporting now parallels financial reporting in depth, mandating information review (assurance) and electronic reporting.

Get started now

Data gathering is often new and requires new registrations and administrations. In addition, the information should be provided with assurance in the first reporting year. We advise you to start early. This gives you the option to treat the first year as a pilot phase. Identifying material topics beforehand is crucial for focused reporting. Additionally, in the initial year, companies can initiate the recording of greenhouse gas emissions and assess their impact on their workforce, which are often relevant topics for most companies.

European Sustainability Reporting Regulations

Our sustainability services

CSRD implementation

We recommend embedding the CSRD into your organisation through a [phased approach](#). Conducting the double materiality analysis is an important first step. This gives you insight into the important topics for your company. Following this, we support in (re) evaluating the business strategy and embedding it into your organisation. The next step is to define critical performance indicators to align with your objectives. Data collection and the establishment of a reliable data collection infrastructure will be necessary to produce a verifiable report. Mazars employs established techniques and proven sustainability frameworks for compliance in sustainability reporting.

CBAM Implementation

We provide support to companies that need to comply with the Carbon Border Adjustment Mechanism (CBAM), a policy instrument imposing CO2 charges on environmentally harmful products from outside the EU. Our team of customs and sustainability specialists can help with organisational adjustments, including establishing the control framework, data collection, and reporting processes. CBAM applies to the following products:

- Iron and steel
- Cement
- Fertilisers
- Aluminium
- Electricity
- Hydrogen

Reduction of carbon footprint

The climate is changing and companies are experiencing increasing pressure to reduce their own CO2 emissions. For different sectors, this pressure comes from regulations, investors, and partners from the value chain and society.

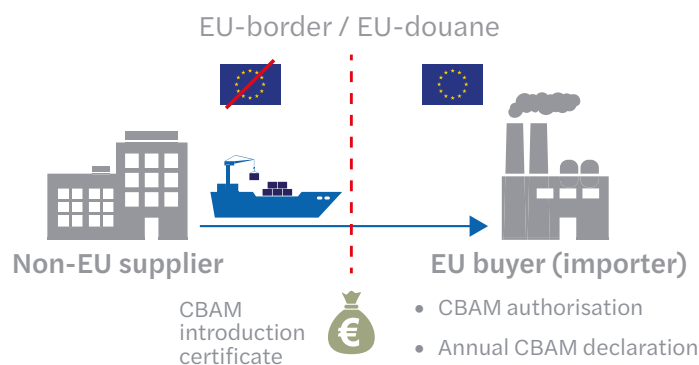
Being able to reduce emissions begins with mapping CO2 outputs, including the emissions in your value chain related to your products and/or services. Then, with those insights, a reduction strategy can be drawn up. Our climate specialists can support with:

1. Identification of impact
2. Establishing a reduction plan
3. Integration with business strategy
4. Reporting on results

Sustainability policy for SMEs

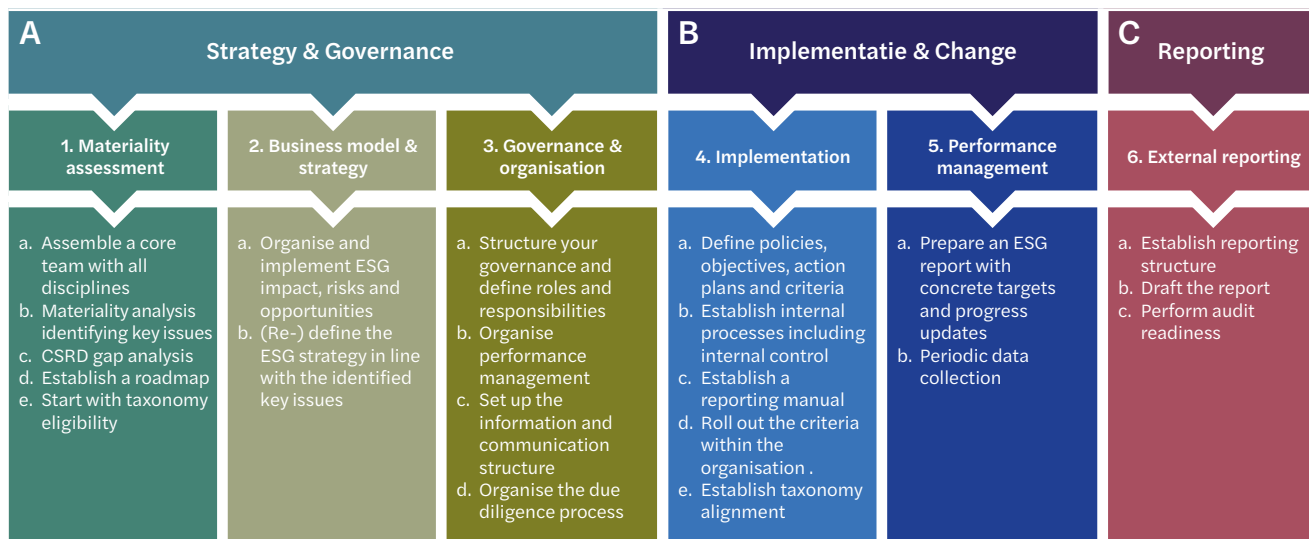
SMEs are expected to proactively enhance their environmental and social impact by embracing the extensive CSRD framework. This often means increased costs with an increased reporting load. With "Sustainability for SMEs", we help you get started in five easy steps:

1. Quick scan of key issues
2. Determine key climate impacts and set up a mitigation plan
3. Identify key personnel issues
4. Create an inventory of sustainability subsidies, taxes and investment opportunities
5. Create an inventory of potential risks in the value chain



European Sustainability Reporting Regulations

A phased approach to CSRD reporting



Danny Janssen
Director Sustainability
T: +31 (0)88 27 71 319
danny.janssen@mazars.nl



Jessica Boekhoudt
Director Sustainability
T: +31 (0)88 27 71 034
jessica.boekhoudt@mazars.nl

Mazars is an internationally integrated partnership, specialising in audit, accountancy, tax and advisory. Operating in over 100 countries, we draw on the expertise of more than 50,000 professionals – 33,000+ in Mazars' integrated partnership and 17,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

www.mazars.nl