

Virtual member-to-member discussions, 22 November 2023

Session 5 – ICMIF Sustainability Forum

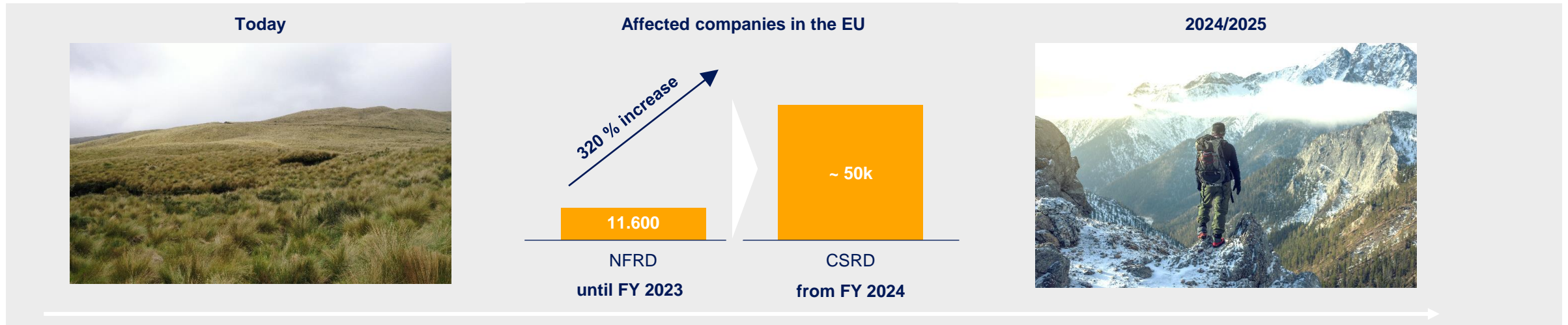
CSRD

Du bist nicht allein.



Introduction to CSRD (1/2)

CSRD revolutionizes ESG reporting in the EU



NFRD Non-Financial Reporting Directive

- **Free choice** of sustainability reporting framework, standards (e.g. GRI, SASB) and non-financial KPIs
- Management report **OR** as a separate report
- **No mandatory external assurance**, only whether non-financial information has been provided
- **Financial materiality** defines the scope of reporting



13 months preparatory phase

2022-2023

Companies that meet at least two of the following criteria:

- > 250 employees (annual average)
- > €40 million net sales
- Total assets > 20 million euros

Listed SMEs from FY 2026 onwards, with the possibility of a deferral



CSRD Corporate Sustainability Reporting Directive

- 12 new mandatory **European Sustainability Reporting Standards (ESRS)** with up to **120 mandatory non-financial KPIs** and additional qualitative disclosures
- Reporting as **part of the management report**
- **Mandatory audit with limited assurance** required
- **Mandatory double materiality assessment** (financial materiality + environmental and social impact)

Introduction to CSRD (2/2)

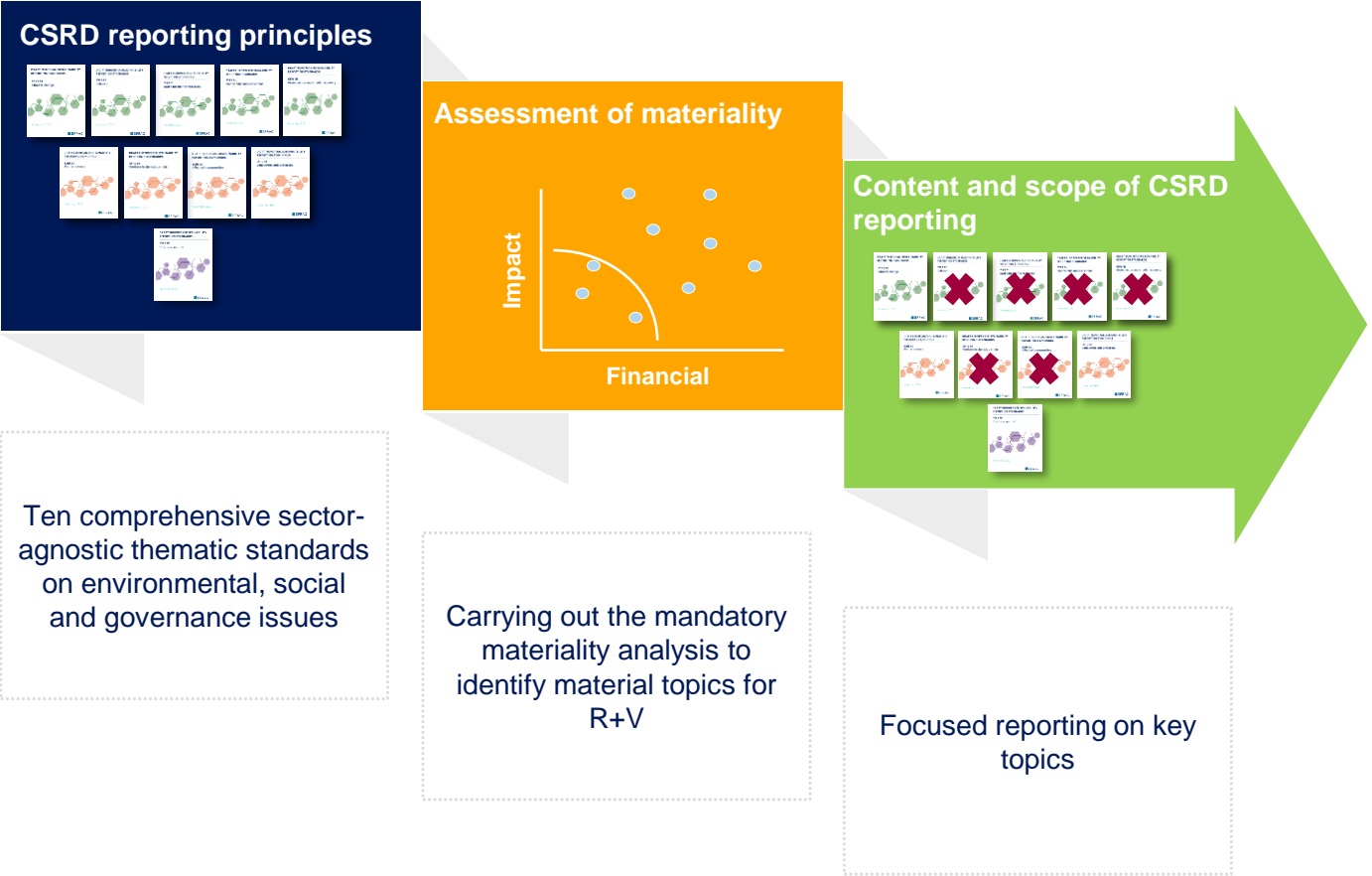
CSRD changes ESG reporting on two levels

Scope of Application 	Reporting 	Audit requirements 
<ul style="list-style-type: none"> • Large EU companies of public interest • Other large EU companies • Certain listed EU SMEs • Non-EU parent companies 	<ul style="list-style-type: none"> • Part of management report • Digital reporting of sustainability information in line with the European Single Electronic Format (ESEF) • EU taxonomy 	<ul style="list-style-type: none"> • Limited assurance according to ISAE 3000 or a comparable standard will be mandatory. • Audit with reasonable assurance may be the next step



Materiality analysis as the heart of the CSRD report

Materiality assessment defines and limits the scope of CSRD reporting



Double materiality: impact and/or financial perspective [ESRS1-37]



Based on the identification of **sustainability-related impacts, risks and opportunities** [ESRS1-38]



Perspective of the value creation activity: Own operations, insurance technology and asset management [ESRS1-39]



Consideration of **stakeholder perspectives to achieve CSRD compliance** [ESRS1-28]



Materiality assessment through expert judgment from the perspective of the stakeholders (sustainability coordinators)



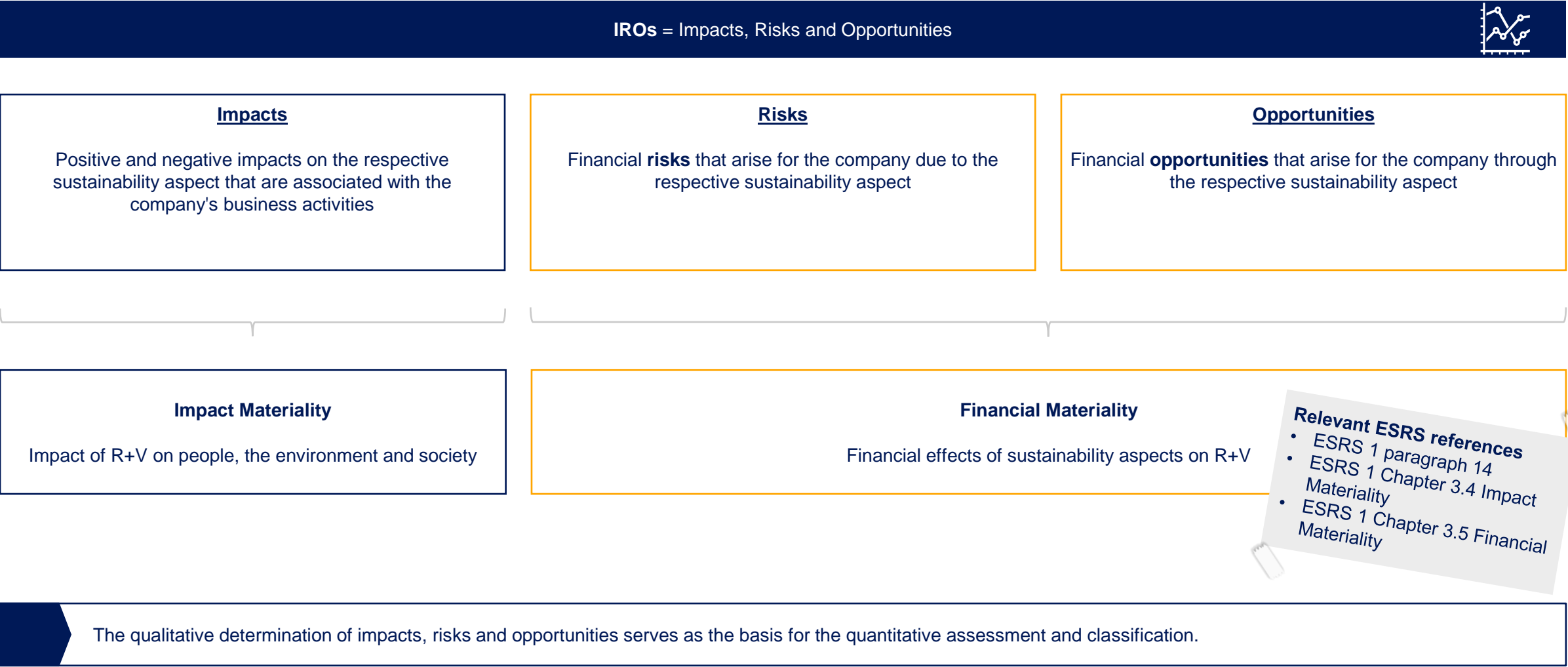
Validation with relevant stakeholders, e.g. sustainability managers and experts from departments



Result: **Scope** of CSRD reporting

Determination of IROs

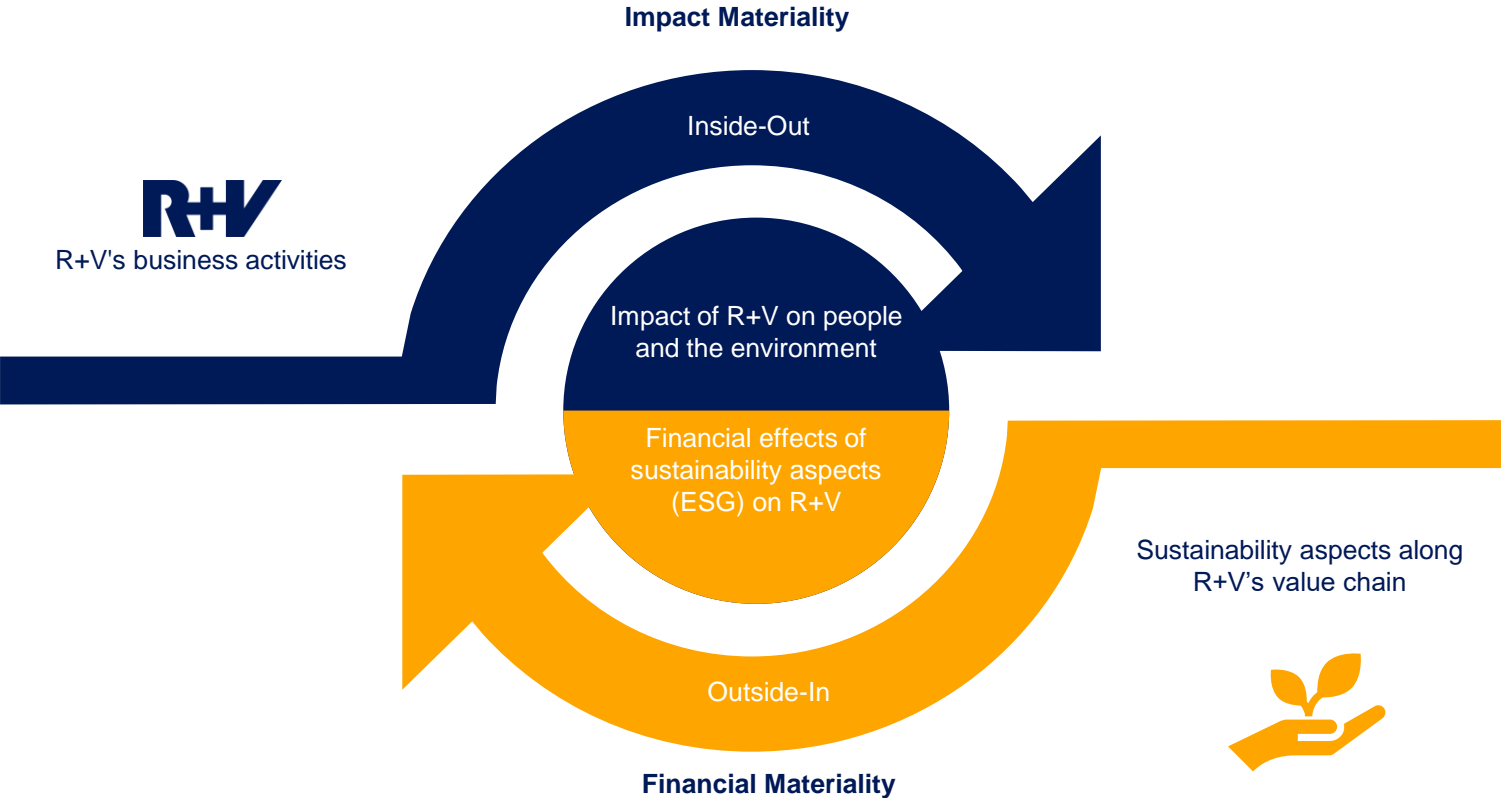
Classification and qualitative determination of the impacts, risks and opportunities of the individual sustainability aspects



Structure of the CSRD

Key sustainability aspects are determined based on the concept of double materiality

The CSRD requires companies to publish “information necessary to understand the company's impact on sustainability issues and information necessary to understand how sustainability issues affect the company's development, performance and position .”¹



- Determination of actual and potential impacts (direct & indirect, inside & outside the company, short, medium and long term)
- For actual impacts: assess for scale, scope and reversibility
- For potential impacts: additional probability assessment

Material ESG-related impacts

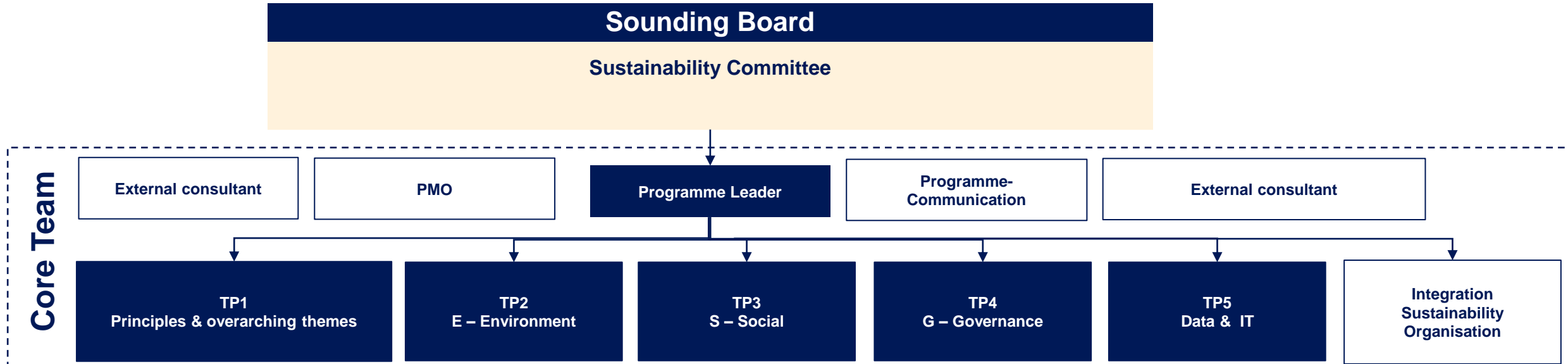
- Identification of short, medium and long-term financial risks and opportunities for the company
- Evaluation based on probability of occurrence and level of financial impact on cash flow and company value

Material ESG-related risks and opportunities

¹ESRS 1 Basis for Conclusion BC43 ([Link](#)).

Implementation of CSRD

Current programme organisation & roles



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