



Get ready for a new level of ESG reporting

Helping you tackle the Corporate Sustainability Reporting Directive

kpmg.com/CSR

The EU's new Corporate Sustainability Reporting Directive (CSRD) is transforming ESG reporting. As part of the CSRD there will be 12 sector agnostic European Sustainability Reporting Standards (ESRSs) to apply, requiring disclosures on E, S and G including over 120 metrics. Almost 50,000 companies are subject to mandatory sustainability reporting in accordance with ESRSs. Compared to previous European sustainability-related reporting requirements, the ESRSs will be significantly more detailed in both the depth of disclosure and the scope of metrics to be reported. In addition, there will be a mandatory limited assurance requirement.

ESG reporting changes under the CSRD

- Many more companies will have to report, including small and medium-sized enterprises (SMEs) and a number of organizations headquartered outside the EU.
- Significant expansion of the scope and number of KPIs to be reported for topics including biodiversity, resource use, your own organizations', and suppliers', workers, and business conduct.
- Limited assurance of ESG reporting is mandatory.

For more information please visit [Get ready for European Sustainability Reporting Standards](#).

KPMG can help

Even those companies that are fairly advanced in their sustainability reporting are likely to require significant improvements to the way they collect, process and report ESG data. With extensive experience in sustainability reporting, KPMG professionals have developed a fast-track readiness assessment to evaluate companies' level of preparedness for the new CSRD. We can identify key gaps in data availability, benchmark performance against peers, assess the impact of the new standards on the organization, and help clients create a clear strategy and a concrete roadmap to be ready for the 2024 deadline.

Key features of our approach to CSRD

Gap assessment

Initial assessment of the reported information against the requirements of the CSRD.

Data readiness assessment

Initial assessment of the existing data quality and management in light of the CSRD required data flows.

Operating model assessment

Initial assessment regarding the existing governance structure, covering responsibilities, processes, and policies for overseeing CSRD reporting.

- 1 Impact assessment:** Research and understand current and emerging legislation on sustainability reporting and how this will impact your organization.
- 2 Assess materiality:** Support in setting a clear strategy, analyzing risks and opportunities while also designing actions for a way forward. Ambitions and actions are linked to relevant performance metrics.
- 3 Assess maturity:** Report related maturity assessment in relation to processes taxonomy, roles and capacities, seizing, control environment, data model and policies.
- 4 Design ESG reporting setup:** Target operating model design, defining KPI's and architecture design.
- 5 Group-wide implementation:** Deploy target operating model, training and change management support as well as assurances readiness preparation.



Potential benefits of our approach to CSRD

As companies' ESG performance comes under increasing scrutiny, ESG reporting is going mainstream. Keeping track of, and adapting to evolving sustainability regulations has become a critical strategic priority. Leveraging our approach to CSRD, can help you in many ways including but not limited to:

- Setting ESG targets and determining the key metrics to meet existing and future regulations
- Understanding the impact of ESG factors on the business, and demonstrating how a circular, net-zero, people-friendly business model can create competitive advantage
- Establishing a cross-functional governance structure to collect, report and approve ESG data
- Considering investing in ESG data management, with appropriate processes and controls
- Preparing for mandatory limited assurance of ESG reports.

Contacts

To find out how KPMG ESG reporting professionals can add value to you and your organization, please speak with your local KPMG member firm contact by visiting kpmg.com/esgcontacts or by reaching out to one of the contacts below.

KPMG ESG insights

For more information about how you can help your organization fulfill its purpose and achieving its ESG goals, check out and subscribe to ESG insights, which is an on-going subscription that allows you to receive articles, publications, webcasts and podcasts curated for ESG leaders.

kpmg.com/esg
kpmg.com/esginsights

Dr. Jan-Hendrik Gnändiger

Partner
 EMA ESG Reporting Lead
 KPMG in Germany

Goran Mazar

Partner
 EMA & German Head of
 ESG & Automotive
 KPMG in Germany

Kyoichi Seishi

Associate Partner
 KPMG in Japan

John McCalla-Leacy

Head of Global ESG,
 KPMG International and
 Head of ESG, KPMG in the UK

George Richards

Partner
 Head of ESG Reporting &
 Assurance, KPMG in the UK

Ruth Tang

ESG Reporting &
 Assurance Leader
 KPMG in the US

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

©2022 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

Throughout this document, "we," "KPMG," "us" and "our" refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Designed by Evalueserve. | Publication name: Get ready for a new level of ESG reporting | Publication number: 138292A-G | Publication date: December 2022