

**DIMECC**

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**Corporate  
Sustainability  
Reporting Tool**

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# The Corporate Sustainability Reporting Directive (CSRD) is coming. Are you ready?

"To measure is to know and if you cannot measure it, you cannot improve it."

-Kelvin

The upcoming directive will change the European market and make it greener and more transparent. Whilst the directive is firstly aimed at big companies, SMEs are also required to disclose new information on their impacts.

- First reports in 2025 regarding data from 2024,
- Listed SMEs will fall under the scope of the directive in 2028.



# The CSRD and the ESRs

**CSRD= Corporate Sustainability Reporting Directive**

**ESRS= European Sustainability Reporting Standards**

- Why?: To put it simply: the EU believes that consumers and investors deserve to know the sustainability impact of businesses, and the CSRD was created because the existing legislation wasn't cutting it. Before the CSRD, the Non-Financial Reporting Directive (NFRD) established the reporting principles for large companies. However, the European Commission discovered that the information reported by companies was insufficient:

*“Reports often omit information that investors and other stakeholders think is important. Reported information can be hard to compare from company to company, and users of the information are often unsure whether they can trust it.”*

– *The European Commission.*

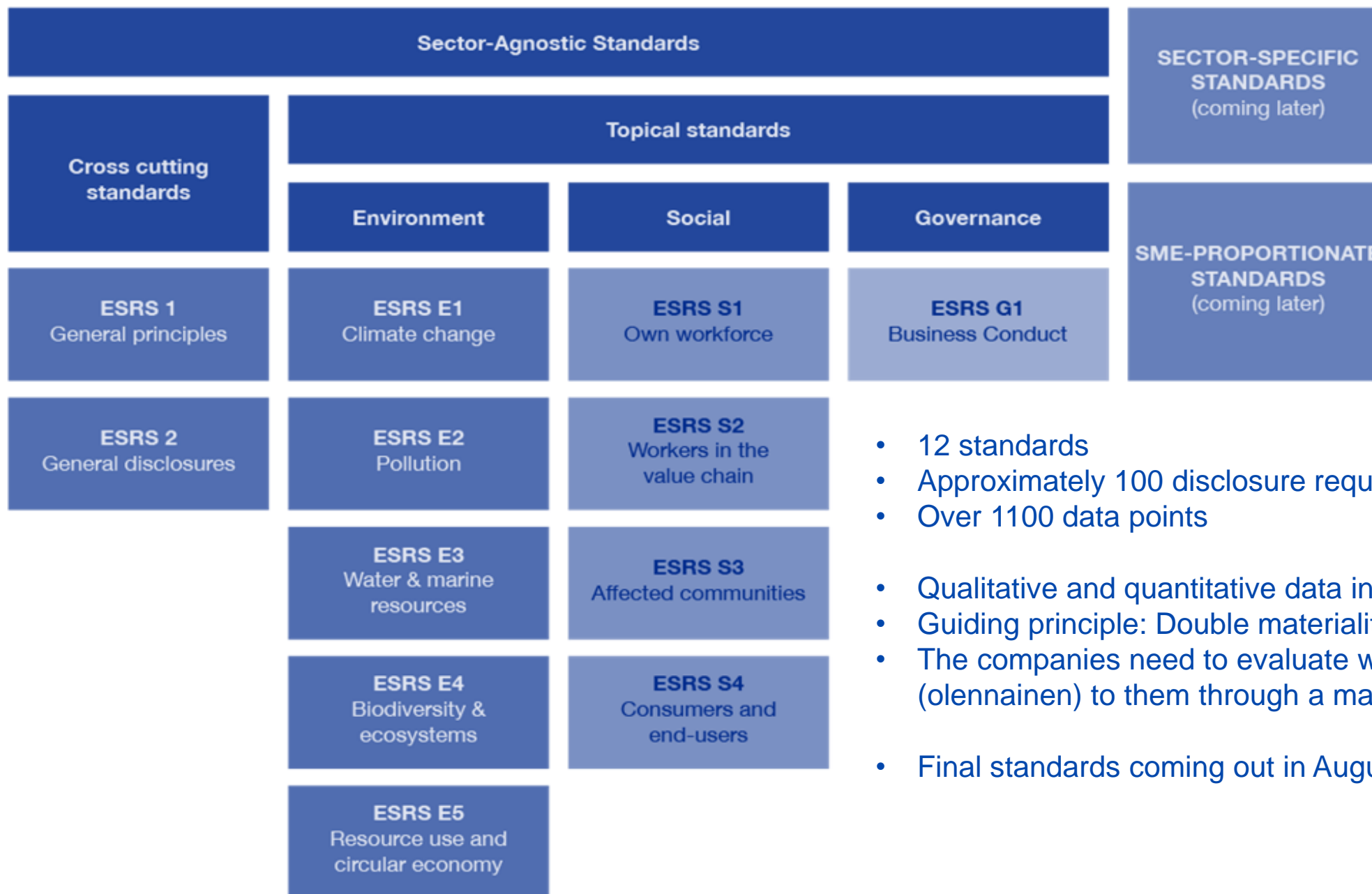
- The CSRD is the law that requires companies to issue sustainability information in the management report, and the ESRS describes all the information those reports need to contain.
- While the CSRD is effectively final and is being passed into European law, the ESRS is still being development, and it is likely to continue to evolve and change based on EFRAG's ongoing work, as well as feedback from companies, regulators, and industry associations.
- CSRD is currently being implemented into national law and will be presented to the Finnish parliament in the autumn 2023. The requirements come into force at the beginning of 2025, concerning 2024 data for big companies. (Listed SMEs in 2028, big companies can omit value chain data concerning SMEs until 2028, has to be justified.)

# The ESRs align with other sustainability standards

- The upcoming standards align with other sustainability standards and are somewhat parallel.
- The CSRD aligns with other EU-legislation, i.e. taxonomy and the whole green finance package.







- 12 standards
- Approximately 100 disclosure requirements (DR)
- Over 1100 data points
- Qualitative and quantitative data included in the DRs
- Guiding principle: Double materiality
- The companies need to evaluate what DRs are material (olennainen) to them through a materiality assesment
- Final standards coming out in August 2023

# 'SusTool' Corporate Sustainability Reporting Tool

Corporate Sustainability Reporting Tool project develops a publicly available sustainability reporting tool to help companies to report their ESG data according to the upcoming Corporate Sustainability Reporting Directive (CSRD).

- **Consortium:** Corporate Sustainability Reporting Tool- project gathers together 8 partners from the Baltic Sea Region, including national ministries and ICT associations from Finland, Estonia, Latvia and Lithuania
- **Aim:** to develop a publicly available digital reporting environment with the guidance of what data to submit. The reporting environment will be piloted among service- and ICT and companies to see and evaluate their performance in the required sustainability areas. The Tool will be developed according to unified EU ESG taxonomy; - recommendations for companies on how to efficiently align their operations with the required sustainability parameters.



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## The Reporting Tool aims to support the companies by:

Providing free of charge digital environment for compiling the sustainability report aligned with EU CSRD and -taxonomy

Empowering the business owners to make sustainable executive decisions while updating business models

Reducing unnecessary costs for the companies due to its standardized approach, clarify requirements and guidelines for the users

Reducing the administrative burden that the additional layer of reporting would cause

To guide with self-assessment and evaluate company's performance in sustainability



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