

# Automation and digitalisation of corporate reporting in times of CSRD/ESRS and ESEF

Data management, reporting processes, disclosure management systems & more

# Your speaker



## **Björn Seidel**

**Partner at PwC Germany**

Alsterufer 1, 20354 Hamburg

+49 170 569 7517

[bjoern.seidel@pwc.com](mailto:bjoern.seidel@pwc.com)



## **Patrick Sievering**

**Senior Manager**

Huysseallee 58, 45128 Essen

+49 160 977 75188

[patrick.sievering@pwc.com](mailto:patrick.sievering@pwc.com)

# Key points and perspectives of the sustainability discussion

## Stakeholder preferences

Empirical evidence confirms broader awareness and existing societal pressure



## Capital Market

Sustainability increasingly gaining priority Influences investment and lending decisions



## Regulatory pressure

Regulatory focus on climate change and risk disclosure



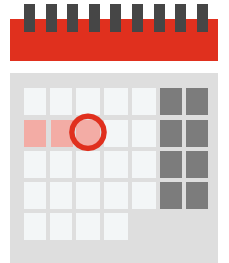
Companies are prompted to integrate ESG into their long-term strategy.

# CSRD in a nutshell

## Main changes



Who?	Significant <b>extension of the scope</b> to large companies / groups and listed companies
What?	<ul style="list-style-type: none"><li>• <b>Expanding the content of</b> sustainability reporting</li><li>• EU will create its own <b>reporting standards</b> (technical advice from EFRAG)</li><li>• <b>Double materiality</b> clearly defined</li></ul>
Where?	Sustainability reporting mandatory part of the (consolidated) <b>management report</b> in a <b>dedicated section</b>
How?	<b>Electronic format of</b> the (consolidated) management report and <b>tagging of</b> the sustainability information incl. Taxonomy disclosures
Responsibility?	Extended <b>role of the supervisory board / audit committee</b> to also cover sustainability reporting
Enforcement?	Current enforcement system to <b>include sustainability reporting</b>
Assurance?	<b>Independent third-party assurance</b> required: initially with <b>limited assurance</b> ; later transition to <b>reasonable assurance</b> (Commission decision on feasibility expected by 1 October 2028 at the latest)



**Attention!**  
First-time application varies, starting from FY 2024 (reporting in 2025).

**Article 8 Taxonomy Regulation**  
Extension of the scope

This training is based on the current interpretation of the CSRD. **Our interpretation might change over time.**

# The “Big Bang” of sustainability reporting

## The “(Non-) Financial Universe” today



Financial Reporting

Sustainability Reporting



- Reporting Standards IFRS, HGB
- Application requirement for all companies
- Audit requirement for most companies
- Reasonable assurance

- Diverse, non-holistic Reporting Standards
- Application requirement for large listed companies only
- Minimum reporting on business model and five ESG matters according to NFRD
- No (external) assurance obligation

## The “(Non-) Financial Universe” 2023 onwards



Financial Reporting

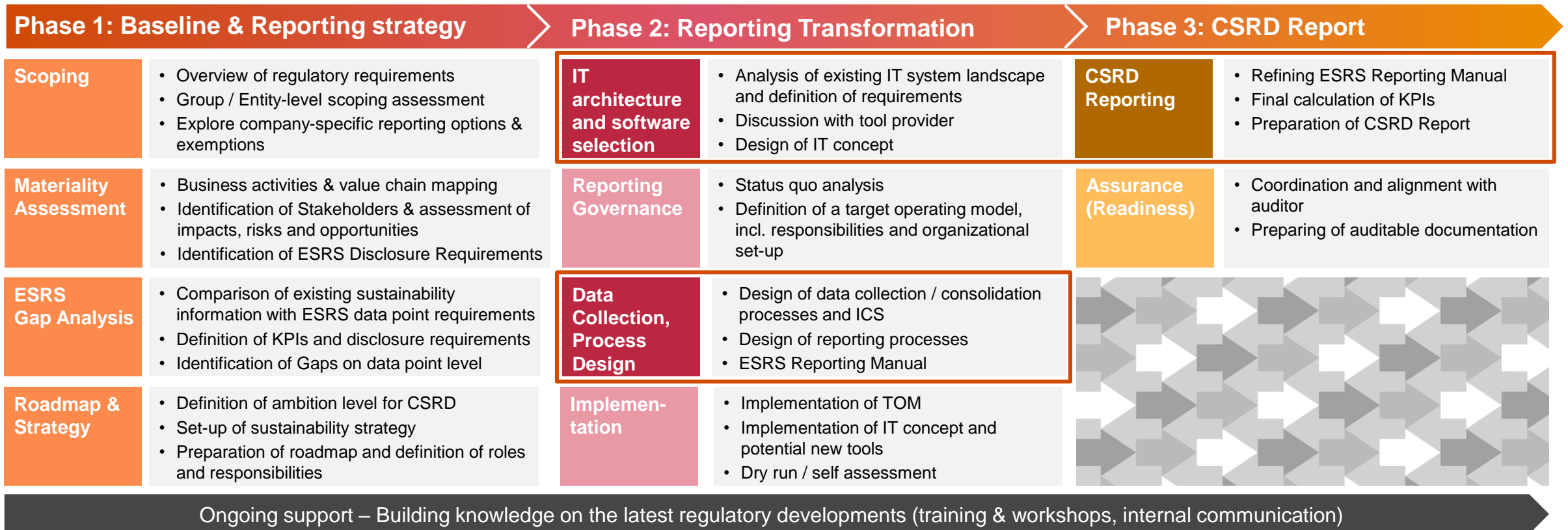
Sustainability Reporting



- Convergence projects for Reporting Standards
- More detailed and more standardized reporting requirements on ESG matters
- Extension of the scope of application, to all large non-listed companies
- Integration of non-financial information into the management report
- Mandatory assurance obligation, initially limited assurance obligation

# The journey to CSRD/ESRS readiness

Project tasks in focus today



# IT architecture and software selection

Holistic sustainability reporting solution covers the following four application areas

## Explanation

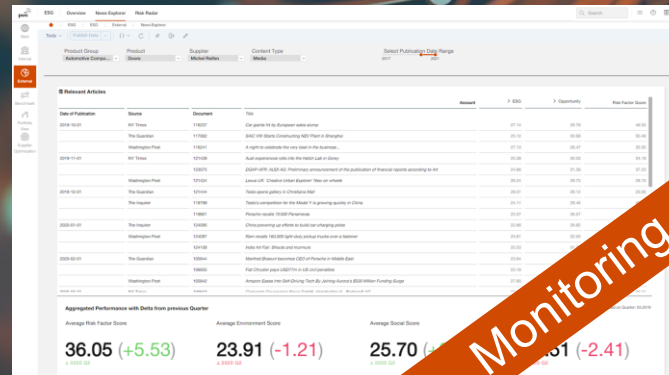
1. **External reporting (regulatory reporting) according to regulations (EU taxonomy, CSRD, SCDDA, etc.)**
2. **Internal reporting (Internal Reporting and Steering)** to facilitate sustainable corporate management as well as for automated decision support
3. **Monitoring and management of ESG incidents in the supply chain and in own operations**
4. **Planning and simulation of ESG key figures to support long-term corporate development**



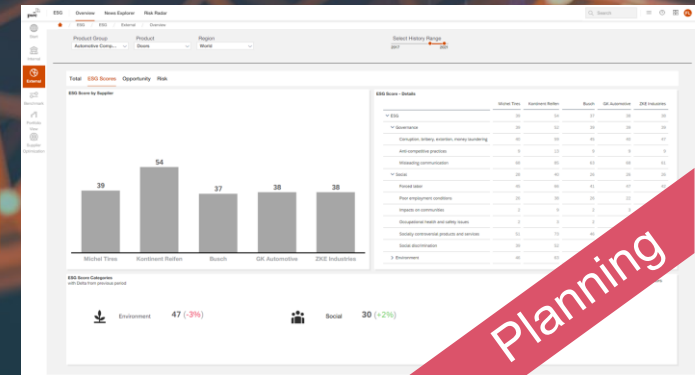
Reporting



Steering



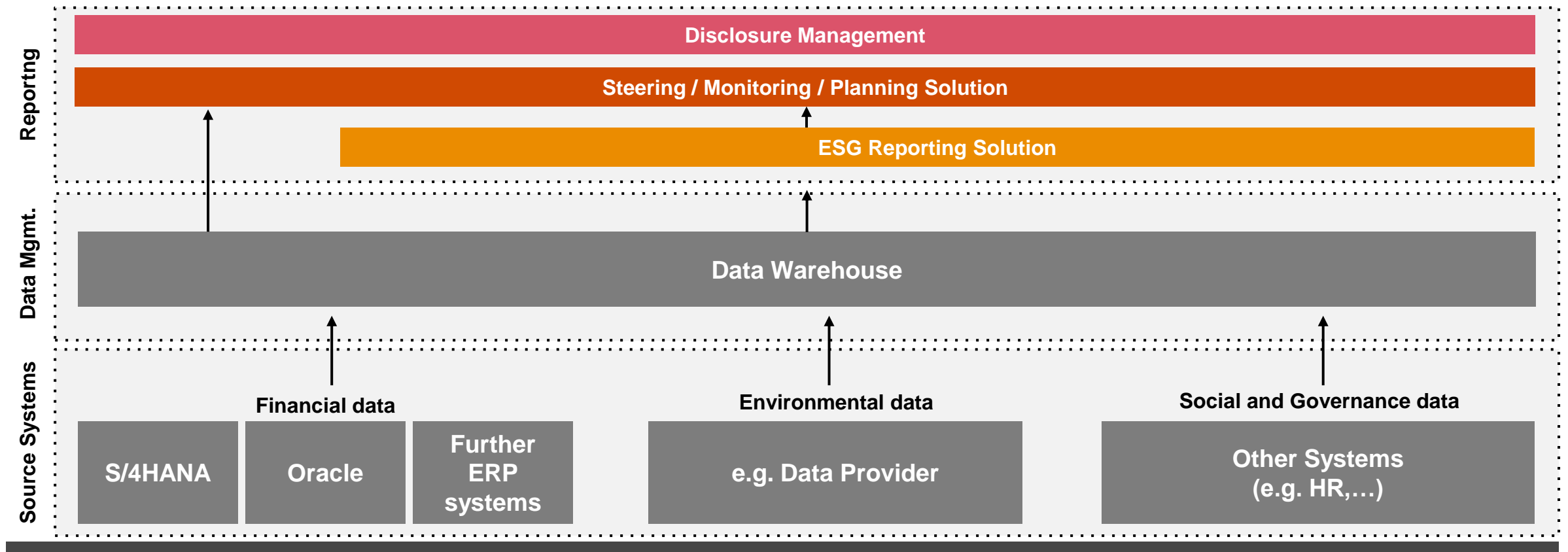
Monitoring



Planning

# IT architecture and software selection

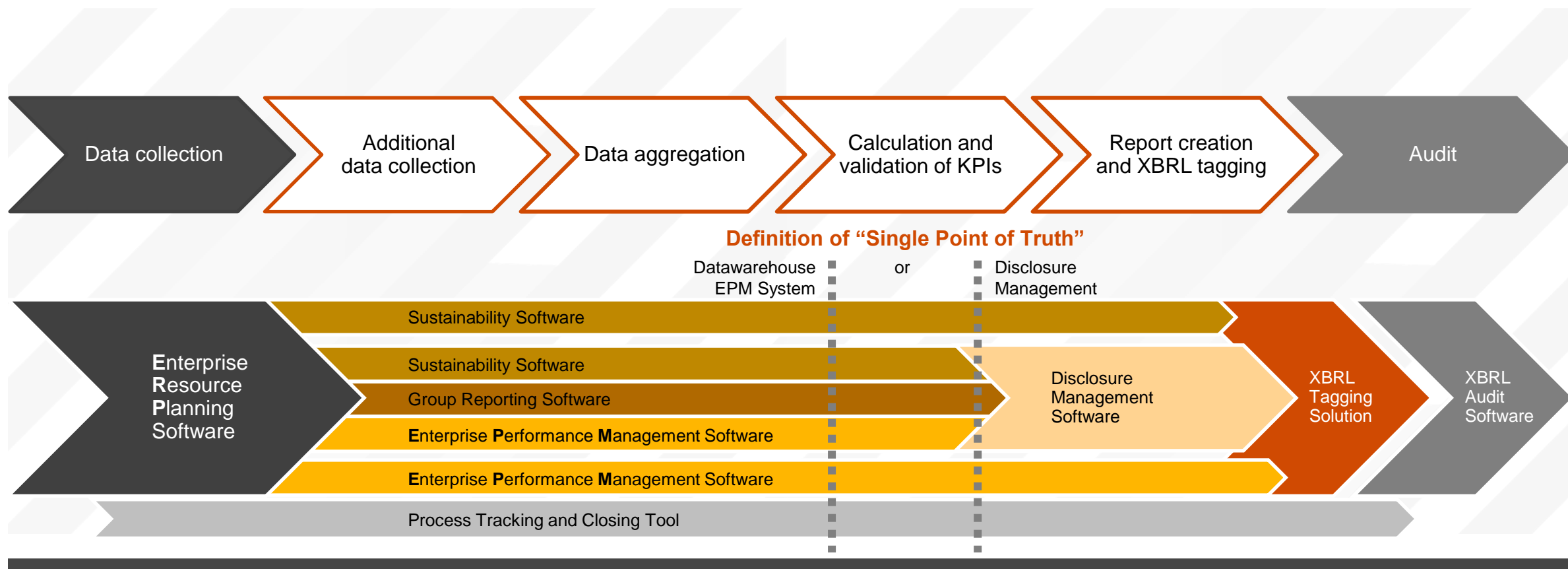
## Sample IT architecture





# IT architecture and software selection

## Sustainability reporting solutions – overview of what is needed



# IT architecture and software selection

## How we support our clients

### Our approach

#### Workshop As-Is Analysis & Reference Architecture

**Workshop format** along the of a reference architecture based on the gap analysis. Systems already in use and their potential use in the context of CSRD are to be reviewed. Missing pieces **and system related processing gaps** are identified and requirements for complementary systems or use cases are recorded.



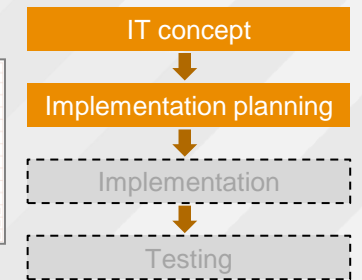
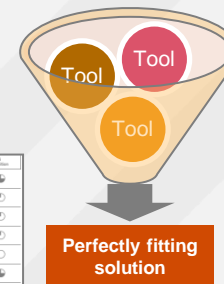
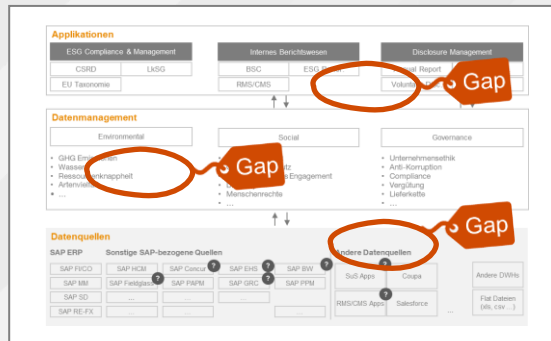
#### Coordination with tool providers & tool selection

For the gaps in the reference architecture, a long and / or short **list of** possible tool providers is created. Pitching appointments are coordinated, accompanied and Use cases as well as **detailed criteria catalogues** are drawn up. A final **software selection process** is supported by comprehensive **basic decision-making processes** (comparison of requirements, advantages and disadvantages of each solution, interfaces, costs, etc.).



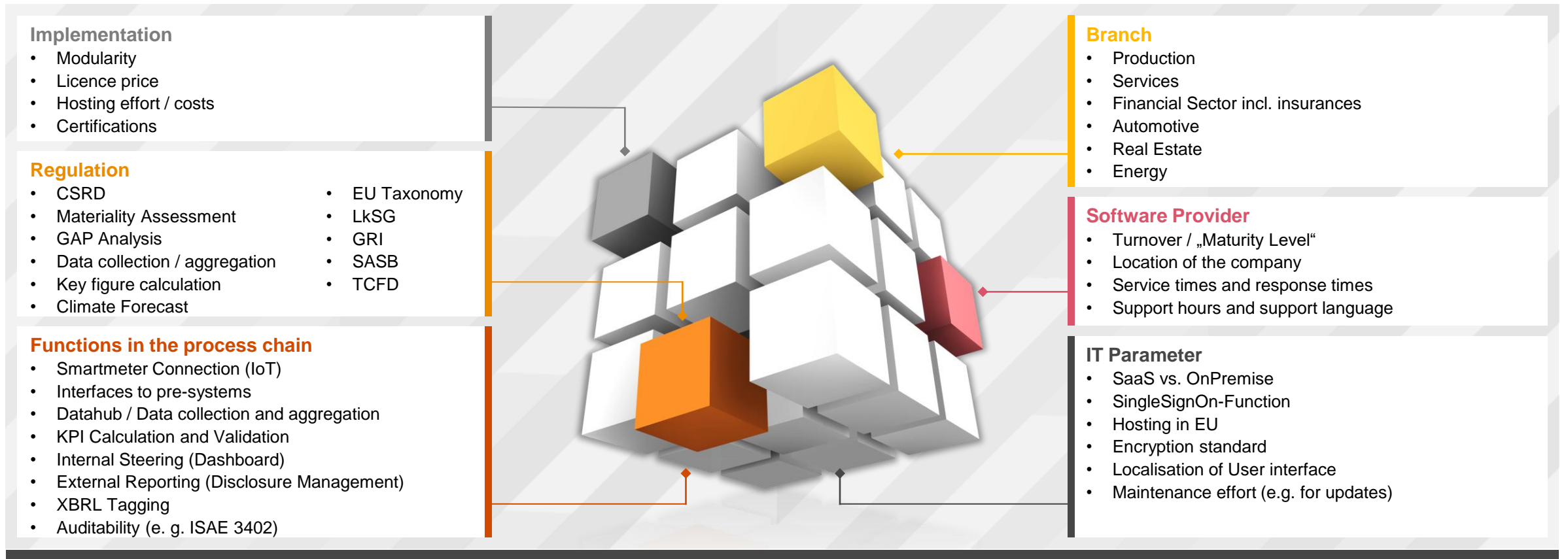
#### IT concept & implementation planning

The requirements for technical and process integration are transformed into a comprehensive **IT concept** and the final sustainability reporting architecture is defined. The implementation is planned and integrated into the holistic sustainability roadmap. Implementation and testing are not part of our activities here.



# IT architecture and software selection

## Decision complexity

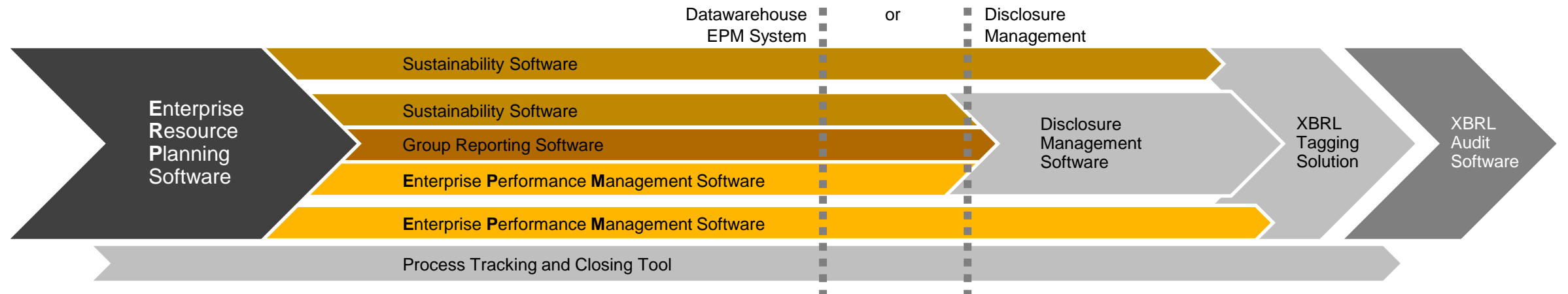


# Solutions for sustainability data collection and management

## Examples



### Definition of "Single Point of Truth"

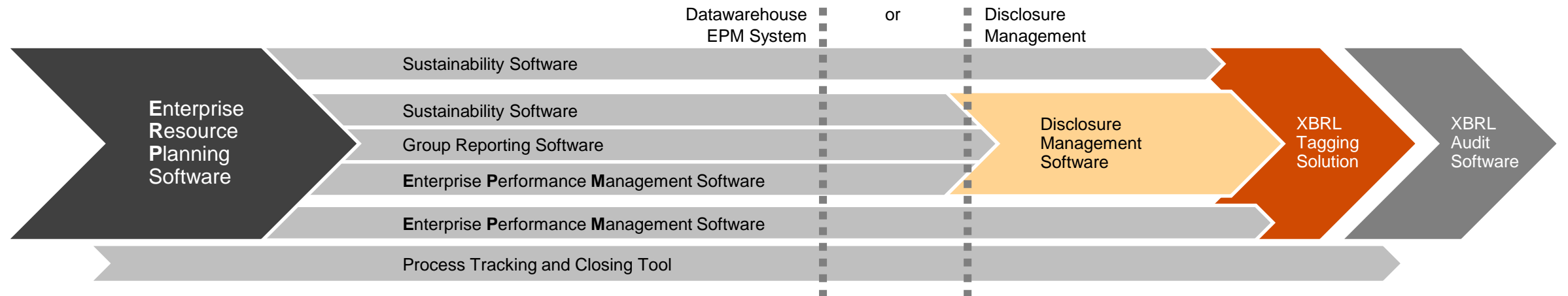


# Solutions for disclosure management & ESEF/XBRL tagging

## Examples



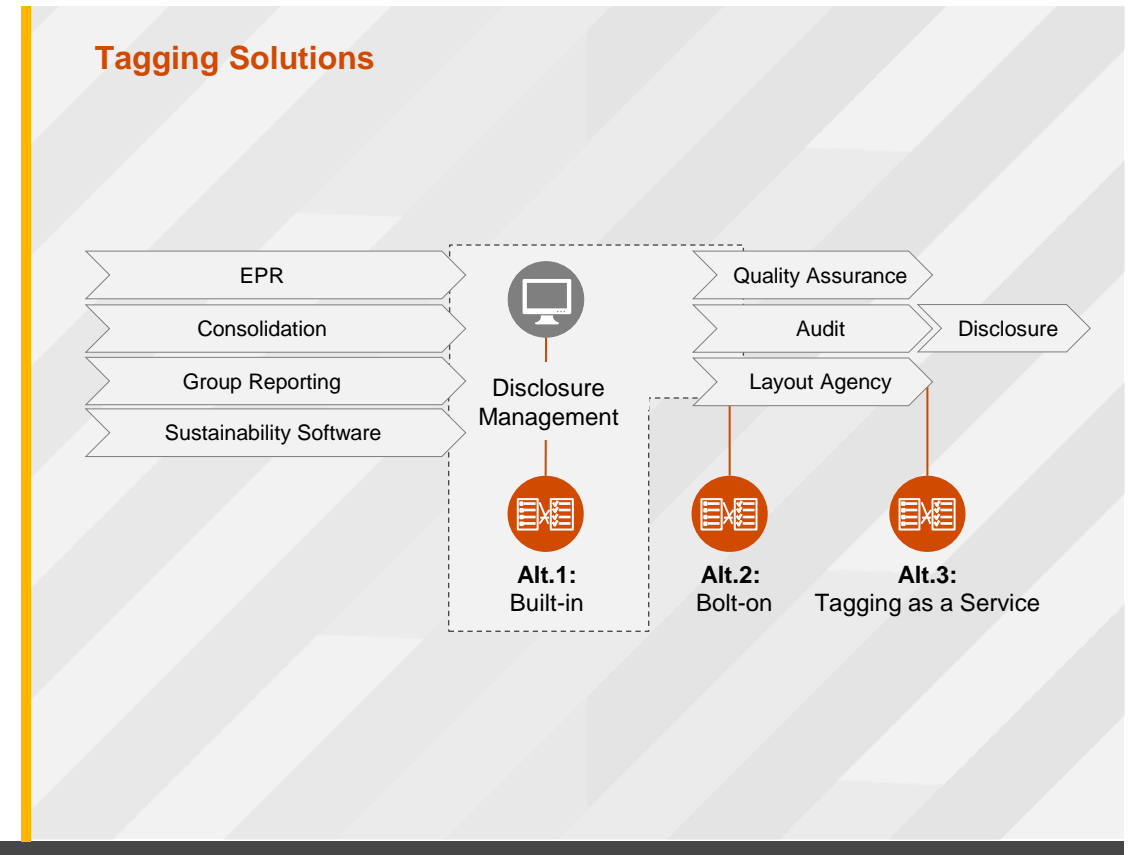
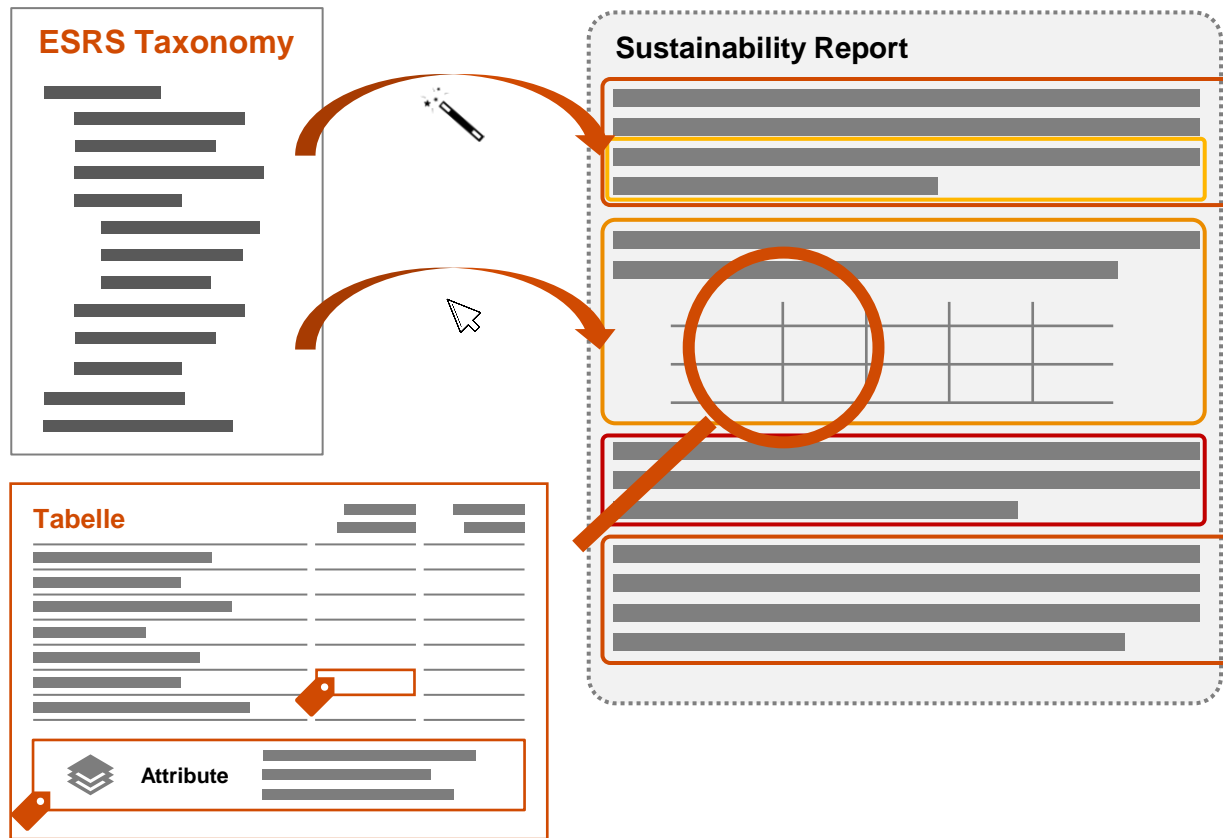
### Definition of "Single Point of Truth"



Bolt-On XBRL Software



# Deep Dive: digital filing based on ESEF/XBRL

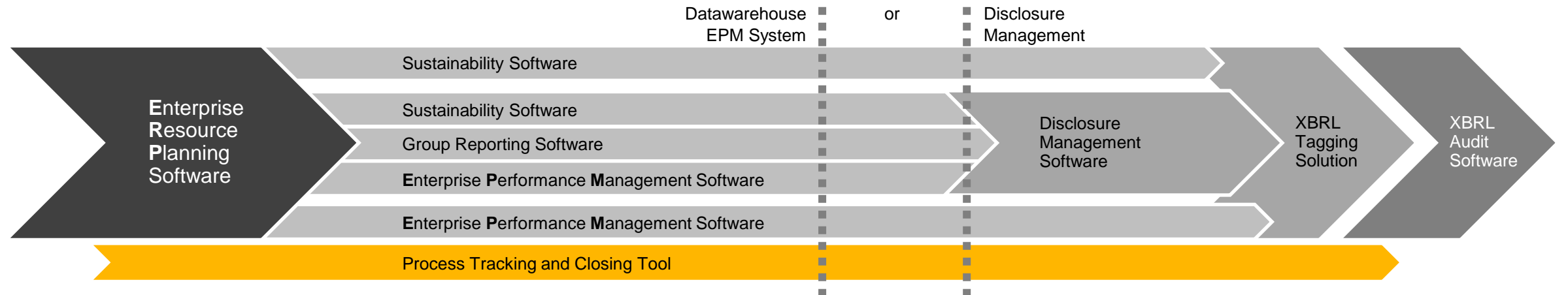


# Solutions for process tracking and closing management

## Examples



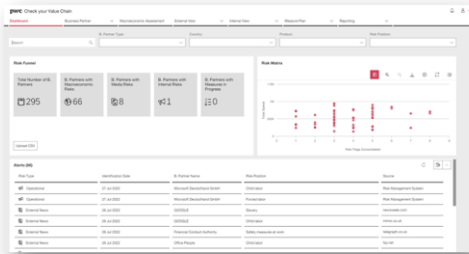
### Definition of "Single Point of Truth"



# PwC SaaS software solutions

Shaped based on our extensive market overview and experience

## Check Your Value Chain (LkSG)



- Automated processing of **risk analysis and continuous monitoring of all business partners**
- Support the implementation of the **German supply chain act**
- Options to **define and track** corrective and preventive **measures**

## Climate Excellence



- Carry out **scenario analysis** and **assess the impacts, risks and opportunities of climate change**
- Based on different climate scenarios and energy system models

## EU Taxonomy Manager



- Automated **KPI calculation**
- IT-supported workflow for assessing the taxonomy **eligibility and alignment**
- Predefined **dashboards** for EU taxonomy reporting, data flows and management analysis
- Interface to corporate sustainability solutions possible

## CSRD Manager



- Comprehensive **CSRD reporting solution** to support disclosure of all relevant ESRS KPIs
- **Predefined data models and KPI calculation schemes**
- Visualized in dashboards incl. steering and reporting capabilities

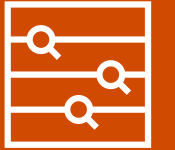


# Key takeaways

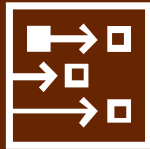
**A combination of multiple applications is required**



**Assurance readiness is key**



**Software/tool maturity is not easily identifiable**



**Implementation resources can become a limiting factor**





# Thank you for your attention.

[pwc.de](https://www.pwc.de)

© 2023 PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

All rights reserved. In this document, "PwC" refers to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, which is a member firm of PricewaterhouseCoopers International Limited (PwCIL). Each member firm of PwCIL is a separate and independent legal entity.