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

Data management, reporting processes, disclosure management systems & more





Your speaker



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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

Regulatory focus on climate

change and risk disclosure

pressure

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

CSRD in a nutshell

Main changes	Who?	Significant extension of the scope to large companies / groups and listed companies		
	What?	 Expanding the content of sustainability reporting EU will create its own reporting standards (technical advice from EFRAG) Double materiality clearly defined 		
	Where?	Sustainability reporting mandatory part of the (consolidated) management report in a dedicated section	Attention! First-time application	
	How?	Electronic format of the (consolidated) management report and tagging of the sustainability information incl. Taxonomy disclosures	varies, starting from FY 2024 (reporting in 2025).	
	Responsibility?	Extended role of the supervisory board / audit committee to also cover sustainability reporting	Article 8 Taxonomy Regulation Extension of the scope	
	Enforcement?	Current enforcement system to include sustainability reporting	This training is based on the	
	Assurance?	Independent third-party assurance required: initially with limited assurance; later transition to reasonable assurance (Commission decision on feasibility expected by 1 October 2028 at the latest)	current interpretation of the CSRD. Our interpretation might change over time.	

The "Big Bang" of sustainability reporting

The "(Non-) Financial Universe" today Sustainability Reporting **Financial Reporting** Reporting Standards IFRS, HGB Diverse, non-holistic Reporting Application requirement for Standards Application requirement for large all companies Audit requirement for listed companies only most companies Minimum reporting on business Reasonable assurance model and five ESG matters according to NFRD

• No (external) assurance obligation

The "(Non-) Financial Universe" 2023 onwards Financial Reporting Universe 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

Phase 1: B	aseline & Reporting strategy	Phase 2: Re	eporting Transformation	Phase 3:	CSRD Report
Scoping	 Overview of regulatory requirements Group / Entity-level scoping assessment Explore company-specific reporting options & exemptions 	IT architecture and software selection	 Analysis of existing IT system landscape and definition of requirements Discussion with tool provider Design of IT concept 	CSRD Reporting	 Refining ESRS Reporting Manual Final calculation of KPIs Preparation of CSRD Report
Materiality Assessment	 Business activities & value chain mapping Identification of Stakeholders & assessment of impacts, risks and opportunities Identification of ESRS Disclosure Requirements 	Reporting Governance	 Status quo analysis Definition of a target operating model, incl. responsibilities and organizational set-up 	Assurance (Readiness)	 Coordination and alignment with auditor Preparing of auditable documentation
ESRS Gap Analysis	 Comparison of existing sustainability information with ESRS data point requirements Definition of KPIs and disclosure requirements Identification of Gaps on data point level 	Data Collection, Process Design	 Design of data collection / consolidation processes and ICS Design of reporting processes ESRS Reporting Manual 		
Roadmap & Strategy	 Definition of ambition level for CSRD Set-up of sustainability strategy Preparation of roadmap and definition of roles and responsibilities 	Implemen- tation	 Implementation of TOM Implementation of IT concept and potential new tools Dry run / self assessment 		

Ongoing support – Building knowledge on the latest regulatory developments (training & workshops, internal communication)

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



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**

 LkSG • GRI

SASB

• TCFD

Implementation

- Modularity
- Licence price
- Hosting effort / costs
- Certifications

Regulation

- CSRD
- Materiality Assessment
- **GAP** Analysis
- Data collection / aggregation
- Key figure calculation
- **Climate Forecast**

Functions in the process chain

- Smartmeter Connection (IoT)
- Interfaces to pre-systems
- Datahub / Data collection and aggregation
- **KPI** Calculation and Validation ٠
- Internal Steering (Dashboard)
- External Reporting (Disclosure Management)
- XBRL Tagging
- Auditability (e. g. ISAE 3402)



Branch

- Production
- Services
- Financial Sector incl. insurances
- Automotive
- Real Estate
- Energy

Software Provider

- Turnover / "Maturity Level"
- Location of the company
- Service times and response times
- Support hours and support language

IT Parameter

- SaaS vs. OnPremise
- SingleSignOn-Function
- Hosting in EU
- Encryption standard
- Localisation of User interface
- Maintenance effort (e.g. for updates)

Solutions for sustainability data collection and management Examples



Solutions for disclosure management & ESEF/XBRL tagging Examples



Deep Dive: digital filing based on ESEF/XBRL



Solutions for process tracking and closing management Examples





PwC SaaS software solutions

Shaped based on our extensive market overview and experience

Check Your Value Chain (LkSG)

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- 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

	Bet 1 (13	standards)		Set 2
Cross cutting standards	Environment	Social	Governance	SME-proportions standar Joomny Ja
ESRS 1 General principles	ESRS E1 Climate Change	ESRS 81 Own workforce	ESRS G1 Governance, risk management and internal control	
ESRS 2 Genoral, stratogy, governance and materiality assessment disclosure requirements	ESRS E2 Polytion	ESRS 52 Workers in the value chain	ESRS G2 Business conduct	Sector-speci standar forming in
	ESRS E3 Water & marine resources	ESRS S1 Aflected communities		
	ESRS E4 Biodiversity & eccelystems	ESRS \$1 Consumers and end-users		
	ESRS E5 Resource use & circular economy			
		Automated EU Taxonomy Repo	rting	

- 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

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Software/tool maturity is not easily identifiable



Implementation resources can become a limiting factor



Thank you for your attention.

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