

# TOWARDS DIGITAL CORPORATE REPORTING WITH CSRD

## EVENT REPORT

Accountancy Europe organised a [webinar](#) on 16 May 2023 to explore the opportunities and challenges in the journey towards digital corporate reporting and assurance in Europe. This journey has advanced with the European Single Electronic Format (ESEF), the Corporate Sustainability Reporting Directive (CSRD) and the European Single Access Point (ESAP).

This document summarises the key issues and recommendations raised by experts from different stakeholders during the webinar.

### BACKGROUND

Issuers have been preparing their annual financial reports in the ESEF format since 2020.

The EU Member States have started the CSRD transposition process and about 50.000 companies will be disclosing sustainability information in accordance with the European Sustainability Reporting Standards (ESRS) in a digital, machine-readable format.

ESAP will provide a centralised access to digital market information and EU policymakers are discussing the relevant legislation within the context of the dialogue process.

The debate during the webinar covered lessons learnt from ESEF experience, suggestions on how to prepare for CSRD implementation and the importance of ESAP for the users of corporate reporting.

### SPEAKERS

- Bruno Tesnière, Chair, XBRL Europe
- Eduardo-Javier Moral-Prieto, Senior Policy Officer, European Securities and Markets Authority (ESMA)
- Francesca Amatimaggio, Partner, EY Italy | Accountancy Europe ESEF Audit Task Force
- Richard Bössen, Senior Manager, Digital Reporting, European Financial Reporting Advisory Group (EFRAG)
- Willem Geijtenbeek, Digital Reporting Thought Leader, PwC Netherlands | Chair, Accountancy Europe Corporate Reporting Digitalisation Task Force

### KEY ISSUES AND RECOMMENDATIONS

In his opening remarks, **Willem Geijtenbeek** clarified that digital reporting means providing information in a format that allows computers (software) to read and interpret the data. This can be either pure digital reporting (i.e., to be consumed solely by computers) or hybrid (human- and machine-readable). Independent assurance on these reports enhances their reliability.

Accountancy Europe monitors the developments on digital reporting and assurance with the aim of supporting the EU's green and digital transition objectives. In this regard, ESEF, CSRD and ESAP are the most prominent EU initiatives relevant for the accountancy and audit profession.

**Eduardo-Javier Moral Prieto** stated that ESMA plays a key role in improving the accessibility, analysis and comparability of information provided to the market. EFRAG will develop a specific taxonomy for sustainability

reporting and deliver it to ESMA, who will adapt and integrate it into the ESEF taxonomy. The goal is to have the taxonomy ready for the use of 2024 reporting year as envisaged by the CSRD.

ESMA will also focus on gathering information about how to improve the usefulness of the machine-readable information reported by issuers, including narrative disclosures marked-up by “block-tagging”. Additionally, once the legislation on ESAP is finalized, ESMA will establish this central point of access which is a significant step for the transparency of EU market information.

**Richard Bössen** noted that EFRAG has been working on the taxonomy for the ESRS and Article 8 of the Taxonomy Regulation, as instructed by, and on behalf of, the European Commission. He then explained the approach and methodology chosen by EFRAG and shared illustrative examples of marked-up sustainability information.

**Bruno Tesnière** started his intervention by recognising that the parties in the reporting ecosystem managed to implement ESEF reporting and assurance successfully. He also reminded that CSRD has a broader scope and thus will bring additional challenges. For it to succeed, he suggested: proper regulation, sharing good practices, high-quality audit and effective enforcement.

**Francesca Amatimaggio** briefly explained how working together with relevant stakeholders to prepare for ESEF helped having a successful implementation in the financial sector. She also highlighted that there is still room to improve the comparability of the annual financial reports filed in ESEF format and mentioned practical challenges encountered in auditing disclosures marked up with block-tagging.

## PANEL DISCUSSION AND CONCLUDING REMARKS

Panellists responded to questions submitted by the audience and made the following concluding remarks:

- digital corporate reporting (and assurance) will improve with time
- all parties should start preparing and collaborating as soon as possible
- granularity of the data points to be reported by companies should be based on the user needs
- companies can maximize the benefits of digital reporting by integrating it into their internal reporting structures
- audit firms are strongly advised to start building in-house capacity related to digital sustainability reporting and assurance

Accountancy Europe will continue to bring people and ideas together to support the transition to digital corporate reporting. Are you interested in exchanging insights with us? [Please fill in this form](#) to participate in our future workshops.

## USEFUL LINKS

### Accountancy Europe

- [Webpage on ESEF](#)
- [FAQs on CSRD](#)

### EFRAG

- [First Set of Draft ESRS](#)
- [XBRL Taxonomy methodology and architecture](#)

### XBRL International

- [ESEF filings repository](#)