



CSRD:

How to use it for negotiations

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- Who is concerned by CSRD
- Transposition of the directive
- How and what to use

ESRS - European Financial Reporting Standards

ESRS 1 General principles

ESRS 2 General Information

ESRS E1

Climate change

ESRS E2

Pollution

ESRS E3

Water and marine resources

ESRS E4

Biodiversity et ecosystems

ESRS E5

**Resource use
Circular Economy**

ESRS S1

Own workforce

ESRS S2

Workers in the value chain

ESRS S3

Affected communities

ESRS S4

Consumers

**ESRS G1
Governance**



Who is concerned from the swith from NFRD to CSRD?

| Undertakings falling under CSRD | First year reporting | First report available |
|--|----------------------|------------------------|
| Entreprises with more than 500 employees respecting one of the additional criteria : Turnover > 50 M€ Total balache sheet > 25 M€ | 2024 | 2025 |
| Entreprises with >250 employees and turnover CA > 50 M€ Total balance sheet > 25 M€ | 2025 | 2026 |
| Listed SMEs | 2026 | 2027 |
| Subsidiaries of foreign enterprises with > 250 employees and a turnover of > 150 M€ en Europe | 2027 | 2028 |

The obligation applies to consolidated figures on a group level

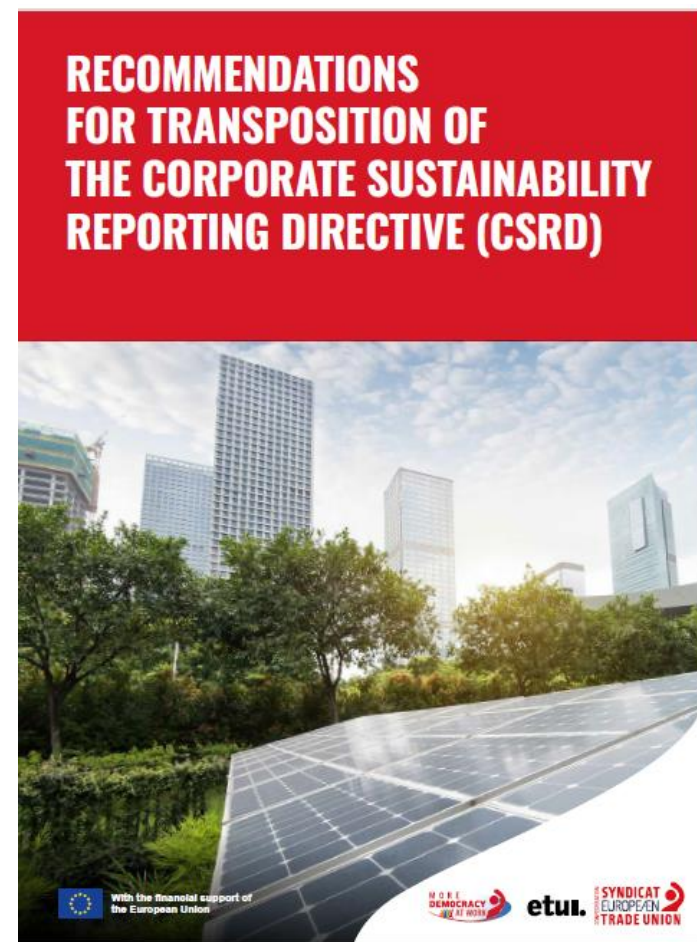
In Europe, the number of undertakings is increased from 11500 à 50 000



Transposition of the CSRD

The ETUC has issued a guide on the transposition of the CSRD

- Information and consultation rights – Who is consulted? How and when does consultation take place?
- Supervision of sustainability reporting – which authority is responsible for ensuring proper conduct in auditing and reporting? Are trade unions included in the authority's governance?
- Options for Member States explicitly provided in the CSRD.
- Points where transposition beyond the minimum
- CSRD requirements could be strived for.





Transposition of the CSRD into national law

CSRD gives explicitly rights to consultation to workers' representatives:

- **Recital (52)** stipulates that :
- Member States should ensure that sustainability reporting is carried out in compliance with workers' rights to information and consultation. **The management of the undertaking should therefore inform workers' representatives at the appropriate level and discuss with them relevant information and the means of obtaining and verifying sustainability information.** This implies for the purpose of this amending Directive the establishment of dialogue and exchange of views between workers' representatives and central management or any other level of management that could be more appropriate, at such times, in such fashion and with such content as would enable workers' representatives to express their opinion. Their opinion should be communicated, where applicable, to the relevant administrative, management or supervisory bodies.
- The recital is taken up in paragraph 5 of article 19a and paragraph 6 of article 29a.
- **The transposition has to be done before July 6th 2024**



Consultation of the works councils - Opportunities

- **Caution: the level information about ESG of the ESRS is the group level and generally consultations are on the enterprise/undertaking level.**
- **However, ESRS 1 stipulates :**
- 103. Where the undertaking identifies significant differences between material ***impacts, risks*** or ***opportunities*** at group level and material impacts, risks or opportunities of one or more of its subsidiaries, the undertaking shall provide an adequate description of the impacts, risks and opportunities, as appropriate, of the subsidiary or subsidiaries concerned.
- 104. When assessing whether the differences between material ***impacts, risks*** or ***opportunities*** at group level and material impacts, risks or opportunities of one or more of its subsidiaries are significant, the undertaking may consider different circumstances, such as whether the subsidiary or subsidiaries operate in a different sector than the rest of the group or the circumstances reflected in section 3.7 *Level of disaggregation*
- **The first level of implication of employees representatives should be in the definition of what is material : the materiality analysis, which should also comprise workers' representatives**
- **You have to ask for this as the directive gives no indication as to how to imply workers' reps.**

ESRS 2 – minimum information (Appendix C p.71)

Appendix C

Disclosure and Application Requirements in Topical ESRS that are applicable in conjunction with ESRS 2 General disclosures

This appendix is an integral part of ESRS 2 and has the same authority as the other parts of the standard. The following table outlines the requirements in topical ESRS that need to be taken into account when reporting against the Disclosure Requirements in ESRS 2.

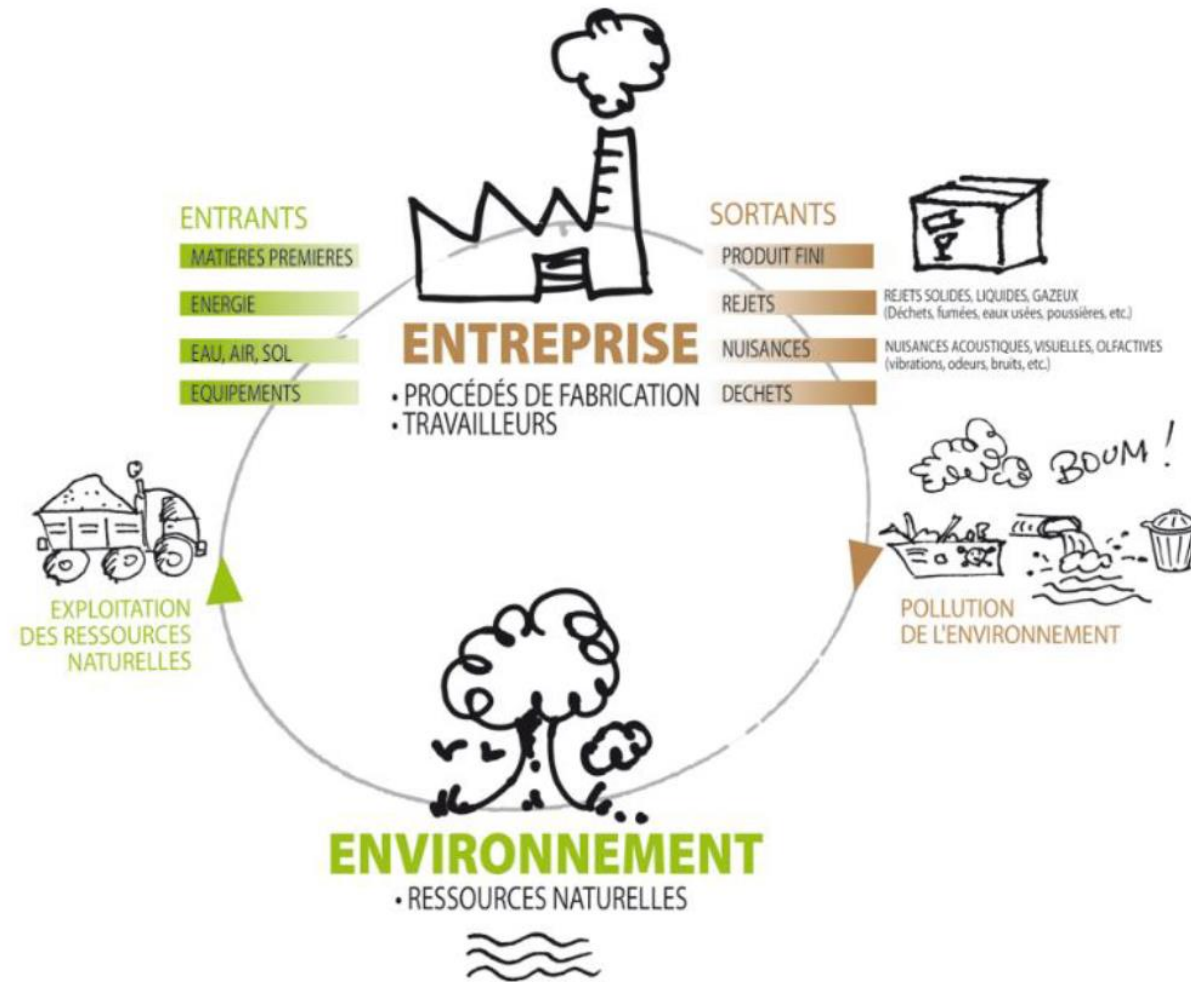
| ESRS 2 Disclosure Requirement | Related ESRS paragraph |
|---|--|
| GOV-1 The role of the administrative, management and supervisory bodies | ESRS G1 <i>Business conduct</i> (paragraph 5) |
| GOV-3 Integration of sustainability-related performance in incentive schemes | ESRS E1 <i>Climate change</i> (paragraph 13) |
| SBM-2 Interests and views of stakeholders | ESRS S1 <i>Own workforce</i> (paragraph 12) ESRS S2 <i>Workers in the value chain</i> (paragraph 9) ESRS S3 <i>Affected communities</i> (paragraph 7) ESRS S4 <i>Consumers and end-users</i> (paragraph 8) |
| SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model | ESRS E1 <i>Climate Change</i> (paragraphs 18 to 19) ESRS E4 <i>Biodiversity and ecosystems</i> (paragraph 16) ESRS S1 <i>Own workforce</i> (paragraph 13 to 16) ESRS S2 <i>Workers in the value chain</i> (paragraph 10 to 13) ESRS S3 <i>Affected communities</i> (paragraph 8 to 11) ESRS S4 <i>Consumers and end-users</i> (paragraph 9 to 12) |
| IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities | ESRS E1 <i>Climate change</i> (paragraph 20 to 21) ESRS E2 <i>Pollution</i> (paragraph 11) ESRS E3 <i>Water and marine resources</i> (paragraph 8) ESRS E4 <i>Biodiversity and ecosystems</i> (paragraph 17 to 19) ESRS E5 <i>Resource use and circular economy</i> (paragraph 11) ESRS G1 <i>Business conduct</i> (paragraph 6) |



Double materiality and stakeholder implication

Double Materiality ESRS1 (DR 3)

Outside in – financial materiality or single materiality



Inside out – Impact materiality = socio-environmental materiality

Figure 5 – Cycle entreprise-environnement © Les Cahiers du Développement Durable

Double Materiality ESRS1 (DR 3)

Double Materiality

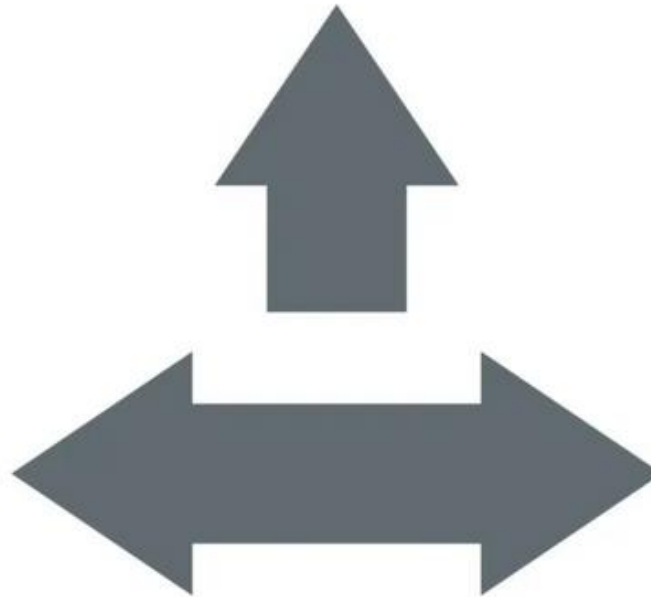
(Combines financial and impact materiality)

Financial Materiality

Issues that internally impact financial performance and the company's ability to create economic value for investors and shareholders

Impact Materiality

External impacts a company's activities have, including impacts on communities and the environment (air, emissions, water discharges, GHGs)



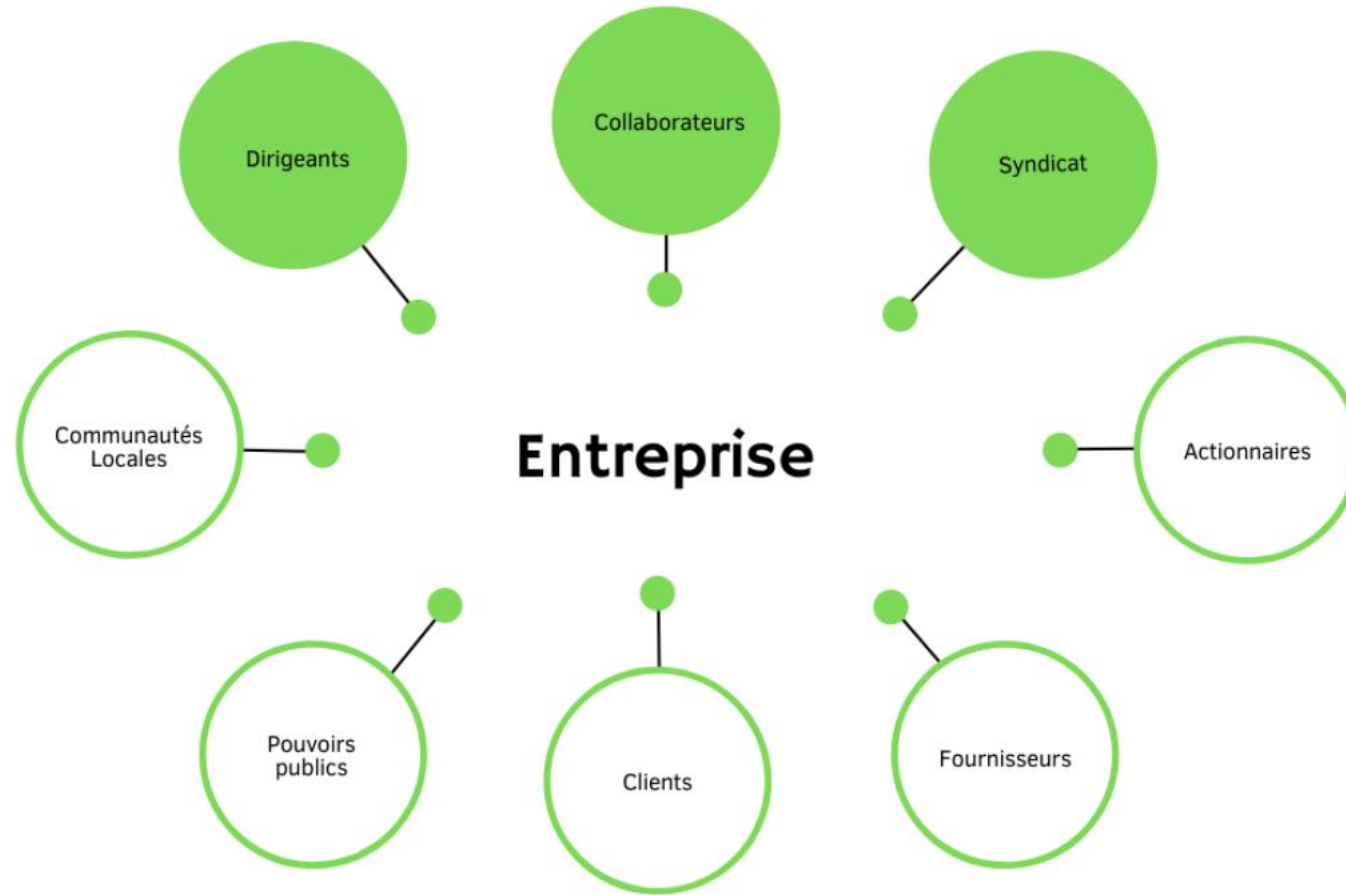
Stakeholder Implication

ESRS 1 DR 3.1

ESRS1 3.1.

(a) Directly affected stakeholders

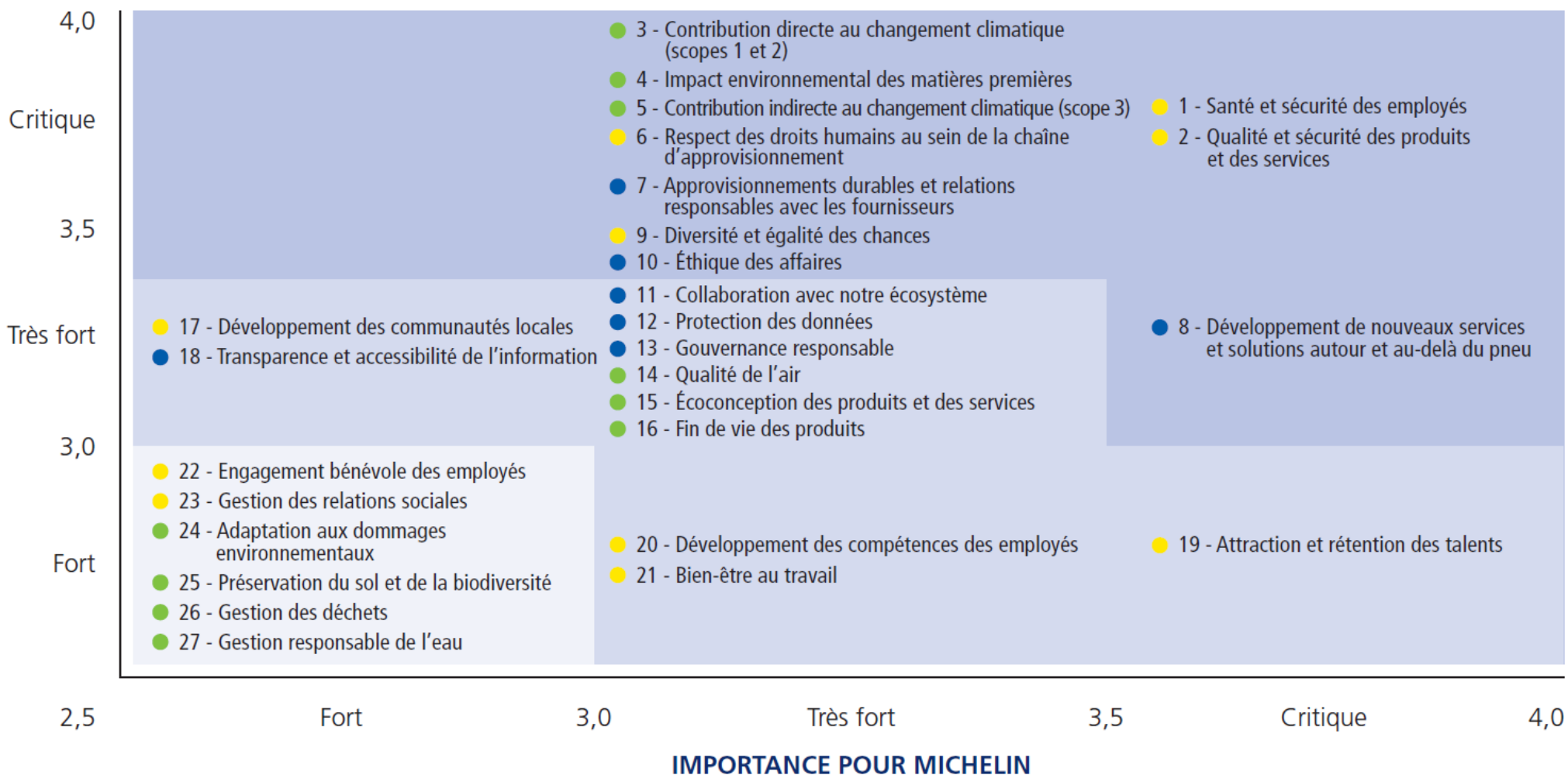
(b) Users of sustainability information





Exemple de matrice de matérialité : le cas de Michelin

ATTENTES DES PARTIES PRENANTES





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Social topics

- Respect for the human rights, fundamental freedoms, democratic principles and standards established in key human rights instruments;
- Employment numbers;
- Precarious employment;
- Adequate wages;
- Social protection;
- Health and safety;
- Training;
- Collective bargaining coverage;
- Social dialogue.

Environment – the six goals of the EU taxonomy on sustainable activities::

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Biodiversity.
- **Governance** – including:
 - lobbying activities;
 - anti-corruption measures;
 - risk management;
 - and relations with suppliers and communities.



References

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Références France

CFDT Webinars and other interventions (French):

- **ESRS – basis and context (Green deal, sustainable finance, UN SDG,...)**
- <https://www.cadrescfdt.fr/actualites/reporting-esg-un-outil-indispensable-pour-negocier-la-transition>
- **ESRS 1 et ESRS2** : <https://www.youtube.com/watch?v=t-zkOz57O8k>
- **Social reporting** (15 septembre 2023):
- <https://www.fuzexperts.tv/media-566-le-volet-social-de-la-csrd-comment-s39y-preparer->
- A more political intervention at « **ÉCOLOGIE ET PHILOSOPHIES COMPTABLES** » organised by Paris Agritech (a university) at Collège des Bernardins le 2 et 3 décembre 2022:
<https://www.collegedesbernardins.fr/content/ecologie-et-philosophies-comptables-0:>
- Round table with Pascal Lambert (MEP) on 3 december 2022
https://www.youtube.com/watch?v=93_HQM5cNjY&list=PLYUUkj5eOnt7Whu5zzKq0q_cm6DhXsT_f&index=6



2 new webinars on April 11 and April 15th

<https://www.cadrescfdt.fr/actualites/webinaires-reporting-esg-transformations-anticipations-taxonomie>

REPORTING ESG : UN OUTIL INDISPENSABLE POUR NÉGOCIER LA TRANSITION

#3 WEBINAIRE *Jeudi 11 avril - 17h*
ESRS E1 | QUELLE AIDE DANS L'ANTICIPATION DES TRANSFORMATIONS DES ENTREPRISES ?

#3b WEBINAIRE *Lundi 15 avril - 17h*
TAXONOMIE : DE QUOI PARLE-T-ON ?

Avec les participations de:

- éthix
- ORSEUR éthix
- Cfdt: CADRES
- Cfdt: métallurgie

The banner features a background image of hands holding a globe over green grass. The text is overlaid on this image, with a prominent orange banner at the top containing the main title. The webinar details are presented in white text on a dark background.



Referenzen (Germany)

<https://www.boeckler.de/de/suchergebnis-forschungsfoerderungsprojekte-detailseite-2732.htm?projekt=2023-982-7>

<https://www.boeckler.de/de/suchergebnis-forschungsfoerderungsprojekte-detailseite-2732.htm?projekt=2021-860-19>



Questions?

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Thank you

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