

Keynote Presentation: CSRD Guide: What You Need to Know Today



*Inés Talavera de la Esperanza,
Public Policy Manager at IAB Europe*

"IAB Europe's Sustainability Committee offers an insightful overview of the Corporate Sustainability Reporting Directive in our Guide on the CSRD. This resource aims to provide educational support and guidance specifically tailored for IAB Europe members and the digital advertising industry."

Disclaimer: The guide does not offer legal advice and should be used for informational purposes only. IAB Europe recommend companies to consult their legal teams or advisors for ensuring compliance with CSRD and EU legislation

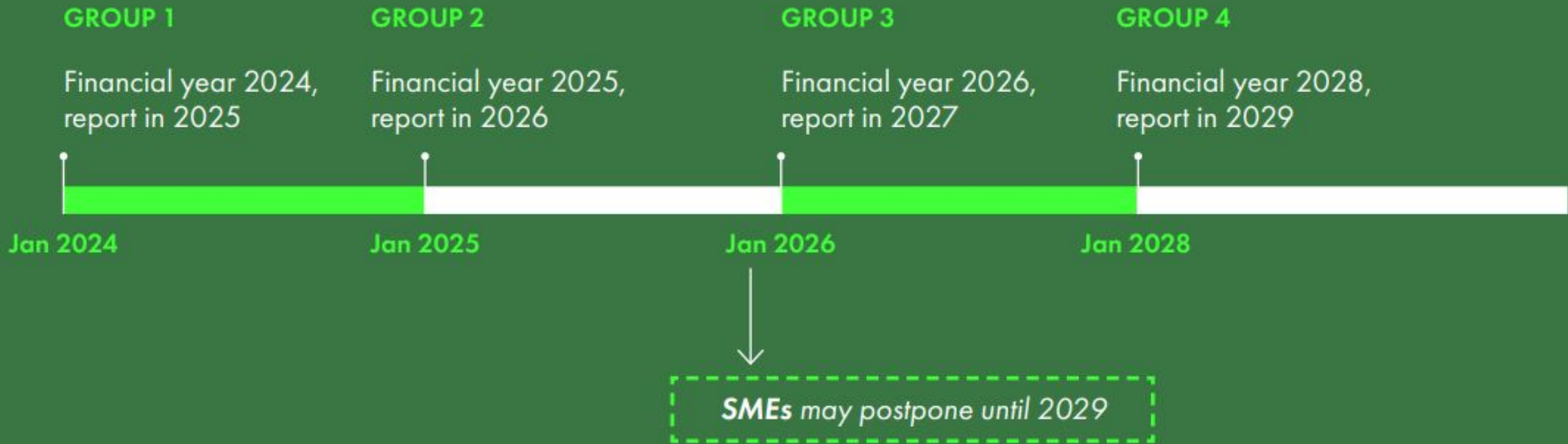
THE CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

- **Requires large companies and some SMEs to disclose non-financial information regarding Environmental, Social, and Governance (ESG) performance**
- CSRD came into effect on January 5th, 2023
- Builds upon and revises rules from the Non-Financial Reporting Directive (NFRD) and is part of the European Green Deal
- **Transparency** - Aims to promote better disclosure of ESG information to stakeholders such as investors and customers
- **Accountability** - Intended to encourage companies to improve their ESG performance and be more accountable for environmental and social impacts
- **Based on standards** - Companies under CSRD's scope must report according to European Sustainability Reporting Standards (ESRS)

Who will be affected?

Order of application	Listed company	Employee threshold	Net turnover threshold	Balance sheet total threshold
GROUP 1 (public-interest entities)	✓	>500	N/A	N/A
GROUP 2 (at least two of the threshold criteria)	✗	>250	>EUR 40 million	>EUR 20 million
GROUP 3 (public-interest entities + min. two of the threshold criteria)	✓	<250	<EUR 40 million	<EUR 20 million
	✓	<50	<EUR 8 million	<EUR 4 million
GROUP 4 (non-EU entities)	✗	N/A	>EUR 150 million + Subsidiary >EUR 40 million	N/A

When companies will need to comply?



**Impact
materiality**
Company impact
on the environment

Outward Impact



Company

**Double
Materiality
Assessment**



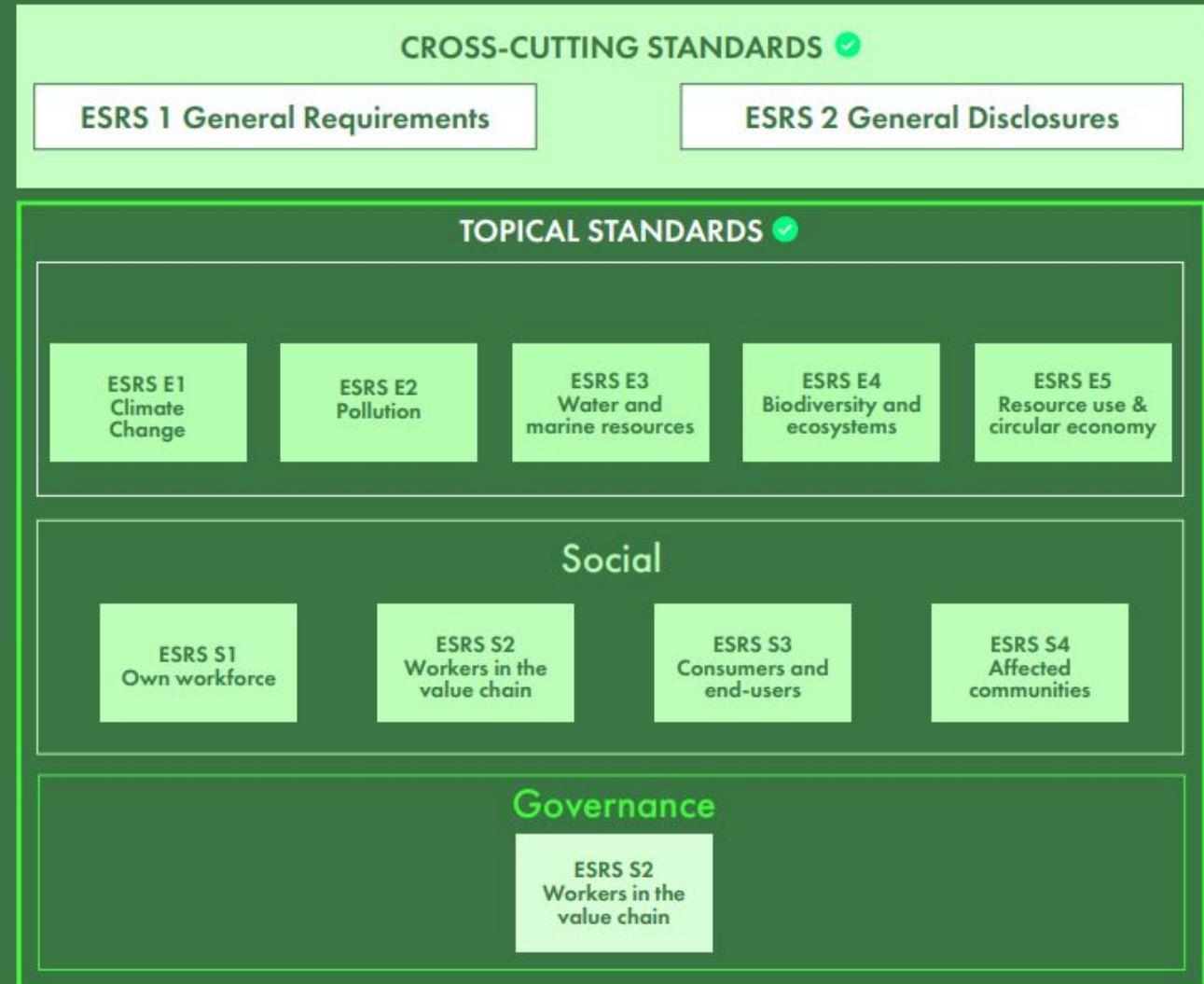
Environment & Society

Inward Impact

**Financial
materiality**
Environmental impact
on the company

European Sustainability Report Standards (ESRS)

The CSRD requires companies to report on specific obligations that are laid out by the European Sustainability Reporting Standards (ESRS).



OTHER STANDARDS in the process of being drafted

- **POSTPONED** to 2026:
 - Sectoral Standards
 - Non-EU companies (Group 4)
- Listed SMEs standards (Group 3)
- Voluntary SMEs standards

WHY IS THE CSRD IMPORTANT TO THE DIGITAL ADVERTISING INDUSTRY?

- **Digital advertising industry affected as companies may need data from partners for reporting obligations**
- Mandates disclosure of ESG impact and associated risks/opportunities across value chains
- CSRD impacts companies upstream and downstream, even if not directly within its scope
- Detailed information requests may necessitate analysis of environmental impacts of digital advertising products/services
- Non-listed SMEs may face stakeholder requests for sustainability information
- EFRAG tasked with developing voluntary standards to assist SMEs in responding effectively

CHANGING POLICY LANDSCAPE FOR GREEN RULES

Sustainability Policy Landscape



Didier Reynders (DG JUST)



Mairead McGuinness (DG FISMA)



“More conservative Parliament will include Commission (check the election procedure of the Commissioners) moderate politicians adopting far-right talking points on green legislation ahead of next year’s European Parliament election”

- Virginijus Sinkevičius (DG ENV)



EC President Ms Ursula Von Der Leyen

SUSTAINABILITY POLICY LANDSCAPE

Moving towards a new European Parliament

- Last plenary in 22 April week
- May no activity
- June elections

New Commissioners - Who are the ones that may stay?

- Ursula Von der Leyen will probably stay and most likely not push for a green agenda (will have support from a more centre right EP).
- Didier Reynders (DG JUST) moves to the Council of Europe.
- Mairead McGuinness (DG FISMA) probably stays, same party as current Irish government.
- Virginijus Sinkevičius (DG ENV) will depend on the Lithuanian elections in May 2024. His party will most likely will not be governing.
- More conservative EU = More conservative College of Commissioners

THE CRSD IMPLEMENTATION IN 2024

- **Change of Priorities:** EC instructed the EFRAG to continue refining the cross-sectorial standards in 2024.
- **Delay on sector-specific standards and non-EU companies**
 - 7 February Decision by Council and Parliament to delay the drafting of those specific standards
 - Agreement to finalised the drafting of these specific standards by 30 June 2026
 - No particular consequences for the reporting since non-EU companies are mandated to report in 2029
- First set of companies that were already under the scope of the NFRD (Group 1) will be handling their first reports in 2025, that will include the cross-cutting standards and topical standards.