



**Sustainability Reporting:  
towards the implementation of the CSRD  
Guidelines**

Dear Partners,

Interzero is pleased to present this overview of the **CSRD** (Corporate Sustainability Reporting Directive of the European Commission) with the intention of sharing it with all stakeholders interested in a significant topic: **sustainability**. This theme plays a crucial role in both the ecological and economic transition of our country.

With this contribution, Interzero aims to bring the industry closer to the application of sustainability issues in its three fundamental pillars: **Environmental, Social, and Governance**.

The goal is to harmonize the information involving all stakeholders operating in this field, providing accurate information, promoting a spirit of collaboration and proactivity in technical and regulatory updates on sustainability issues, legislation, and regulations dedicated to sustainability.

**Sustainability enables companies to become agents of change, a positive force for society and the natural environment.**

It requires the commitment of the entire organization to new challenges, and sometimes also entails radical changes in its industrial development model.

Speaking of sustainability therefore means including terms of innovation. The hope is to translate, even through our contribution, these factors into practical models and apply them within the organization, based on **ESG criteria**.

Enjoy your reading,

**Mario Bagna**  
*Managing Director*  
Interzero Italy



# Introduction

**On January 5, 2023, the European Commission (EC) published the Corporate Sustainability Reporting Directive (CSRD) following the revision process of the Non-Financial Reporting Directive (NFRD).**

The **CSRD directive is a key element of the EU package on sustainability** measures, including aspects of sustainable finance that encompass a comprehensive set of measures **aimed at improving the flow of capital towards sustainable activities** across the EU.

Therefore, the objective of the CSRD directive is to enhance sustainability reporting to fully leverage the potential of the European Single Market and contribute to the transition towards a fully sustainable and inclusive economic and financial system, **in line with the European Green Deal and the Sustainable Development Goals (SDGs) of the United Nations.**

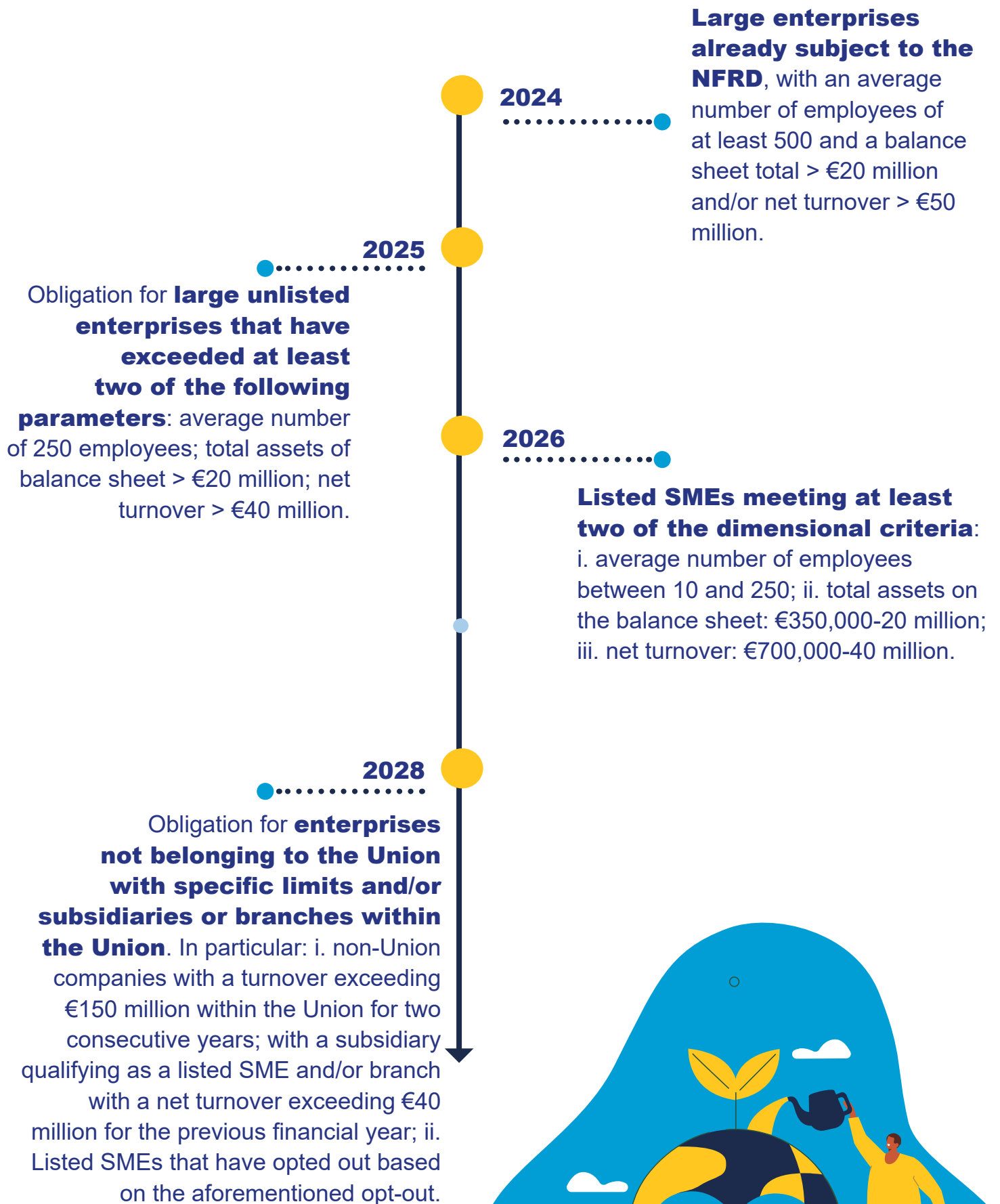
## SUSTAINABLE DEVELOPMENT GOALS



The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.

<https://www.un.org/sustainabledevelopment>

# Reporting Timeline



# Our support in 4 phases

1

## Double Materiality Assessment

The **CSRD Directive** requires **an assessment of ESG themes** that are relevant according to two dimensions: impact materiality and financial materiality.

In this first phase, we identify together the impacts, risks, and opportunities that can occur along the Value Chain, which form the basis for defining policies, actions, targets, and indicators.

2

## Gap Analysis

**Based on the relevant ESG aspects**, we identify the information that needs to be collected for reporting purposes.

We analyze the current status and identify any gaps in terms of policies, actions, targets, and indicators.  
**Together, we build a roadmap** that allows you to achieve your reporting objectives in full compliance with the CSRD Directive.

3

## Strategy and Business Model

**The ESRS standards**, envisaged by the CSRD, **require companies to make a considerable effort in defining strategies, policies, objectives**, and actions that are consistent with the impacts, risks, and opportunities identified.

**We support and guide you in building a strategy** to support your Business Model and oriented towards improving your ESG performance.

4

## Assurance Readiness Review

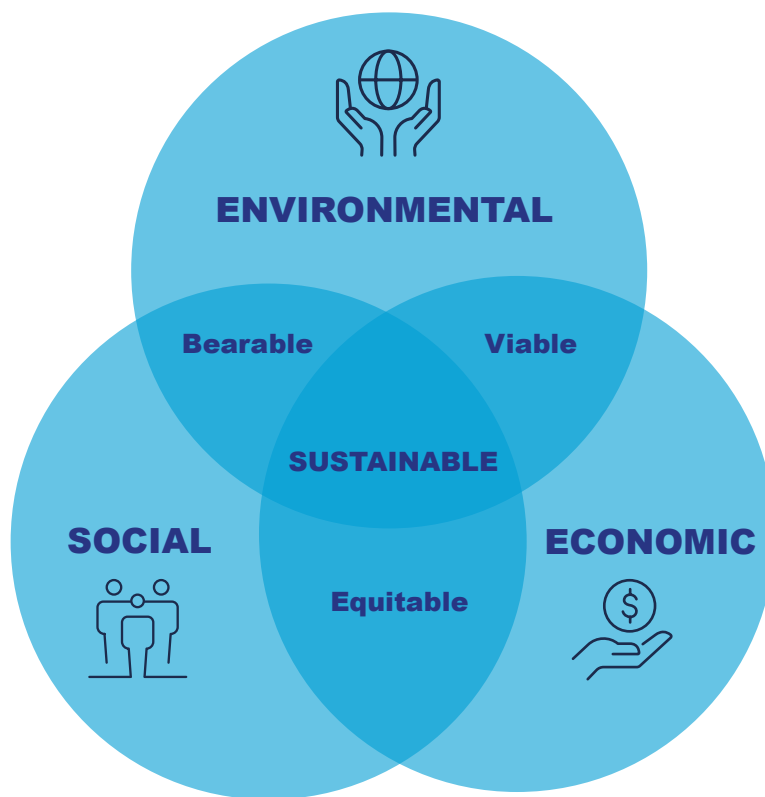
With **our Assurance Readiness Review service**, you can obtain critical and constructive feedback on the compliance of your reporting process.

**We collaborate with you to assess the maturity and robustness of your reporting** in terms of methodologies, data quality, and completeness of information, highlighting processes that can be improved.

# Reporting with Interzero

**Our approach reflects our company's mission, for which the concepts of “closing the loop” and integrating business policies related to circularity** are immediately identifiable. We support companies in a real ecological transition thanks to over 30 years of experience dedicated to understanding the processes underlying our clients' activities, in order to minimize sustainability impacts, such as carbon footprint.

Our sustainability reporting is a tool capable of mapping and providing the organization with guidance to improve its processes regarding environmental impact.



## Communicating Sustainability

**Measuring sustainability performance is the starting point for establishing an effective path of monitoring and non-financial communication.**

Sustainability reporting offers the opportunity to significantly increase internal awareness and is useful for stakeholders to make informed decisions.

The path towards sustainability also allows:

- Better understanding of internal processes;
- Defining key performance indicators (KPIs) and objectives;
- Enhancing environmental, social, and governance risk management.

# A sustainability reporting that engages stakeholders.



**A story that starts from the values of your company,** from the mission, and from the experiences that have contributed to defining its excellence...



**That articulates within the company's processes...**



**Our reporting covers the main business dimensions of impact...** and links current performance to future objectives.



## **Environmental Metrics: ESD - Environmental Sustainability Dashboard**

Interzero completes its sustainability support solution with an ideal tool for monitoring and optimizing KPIs and managing sustainability objectives. Suitable for companies of all sizes.

**We at Interzero guide you throughout the journey to achieve your sustainability targets.**

# Operational Steps:

## Integrating the Sustainability Report into the Management Report

**According to the new CSRD directive, sustainability information must be integrated into the management report**, eliminating the current practice of allowing companies to publish this information separately in member states.



## The Concept of “Double Materiality”: Inside-Out and Outside-In Perspective

**Within the CSRD directive, the European Commission specifies that companies must consider relevant sustainability aspects** by providing information that illustrates how sustainability factors influence the company’s development, performance, and business position (**inside-out perspective**). Additionally, it requires information that helps understand the impact of the company’s activities on society and the environment (**outside-in perspective**). **This perspective, termed “double materiality,” aims to highlight the risks, opportunities, and impacts for the company, society, and the environment.** This provision aims to promote the integration and accessibility of information, emphasizing the responsibility of the management and board of directors for the preparation of the sustainability report at the same level as the management and financial reports.

# Contents

The objective of the CRSD is to provide clarity to assist investors, consumers, and other stakeholders in better assessing companies' sustainability performance, as well as related impacts and risks.

Some key aspects to include are:

- **Description of the company's business model**, strategy, sustainability-related opportunities, impact on stakeholders, and plans for aligning with the transition to a sustainable future.
- **Sustainability objectives** set by the company and progress made to achieve them.
- **Governance related to ESG issues.**
  - Company policies and practices related to sustainability factors.
  - Positive and negative impacts of the company related to the value chain, including operational activities, products and services, business relationships, and the supply chain.



- Description of the company's key sustainability-related risks, including major interdependencies and risk management approaches.
- Relevant indicators for ESG disclosures and how they have been identified by the company.

The company must provide information that is qualitative and quantitative, forward-looking and retrospective, covering short, medium, and long-term perspectives.

# Standardization: Harmonizing Information

The standards enabling the implementation of the CSRD directive (European Sustainability Reporting Standard, ESRS) are currently being defined by the European Financial Reporting Advisory Group (EFRAG). These standards are structured to cover:

## Environmental Factors

- In line with the environmental objectives of the EU taxonomy regulation, addressing climate change mitigation and adaptation, water and marine resources, resource utilization and circular economy, pollution, biodiversity, and ecosystem protection.

## Social Factors

- **Equal opportunities for all**, including gender equality and equal pay for equal work, training and skills development, employment and inclusion of persons with disabilities.
- **Working conditions**, including safe employment, wages, social dialogue, collective bargaining and worker involvement, work-life balance, and a healthy and safe working environment.
- **Respect for human rights** and fundamental freedoms and standards established in the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, ILO core conventions, and the EU Charter of Fundamental Rights.



## Governance Factors

- Role of corporate governance, management, and oversight bodies regarding sustainability factors and their composition.
- Business ethics and corporate culture, including combating corruption.
- Relations with public administration, including lobbying activities.
- Relations with business partners, including payment terms.
- Internal control and risk management systems, also in relation to the reporting process.

# Digitalization

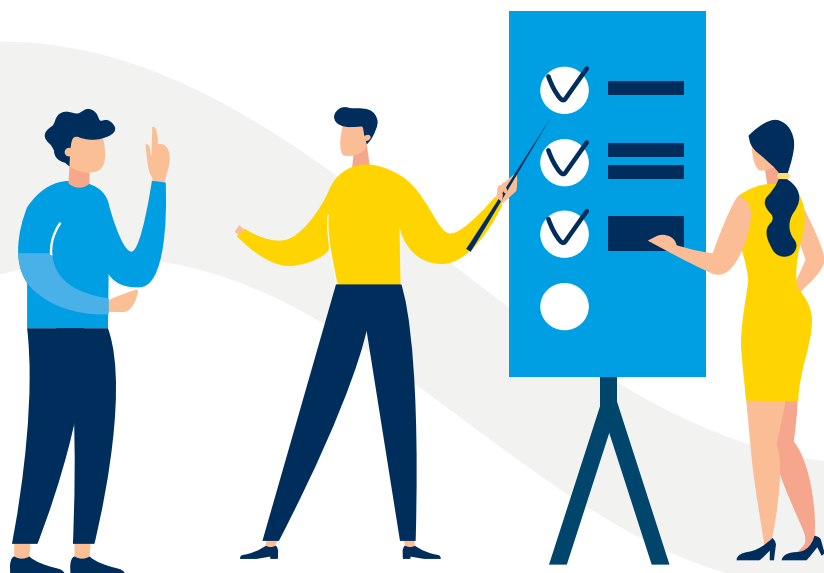
**The directive requires digital communication of sustainability information published according to a specific taxonomy.** Companies will need to prepare their balance sheets and management reports in a specific XHTML (xbrl) format.



# Assurance

**The European Commission envisions the possibility of companies conducting a ‘light’ assurance on the complete report (“limited assurance”),** aiming for eventually achieving a full assurance (“reasonable assurance”) regarding sustainability information. Member States will have the option to allow independent parties to issue the Assurance Report, provided they meet requirements consistent with those applicable to auditors.

**The Assurance Report must be published together with the annual balance sheet and management report.** Member States must require legal auditors and auditing firms to provide assurance on sustainability reporting in accordance with assurance principles to be adopted by the EC through delegated acts. In the absence of standards, auditors must apply national assurance standards, procedures, or requirements.



# The European Sustainability Reporting Standards (ESRS)

These standards support companies in ESG reporting and aim to ensure that information is comparable, verifiable, transparent, and accurate. The ESRS standards are divided into 12 documents covering various areas, including General Requirements and General Contents.

Additionally, the publication of another 40 ESRS dedicated to different sectors is planned. A horizontal framework of reference.



The **ESRS standards** are divided into **12 documents** covering different areas:

## General aspects:

- ESRS 1 General requirements
- ESRS 2 General contents

Environment (E)	Social (S)	Governance (G)
ESRS E1 Climate Change	ESRS S1 Own Workforce	ESRS S4 Consumers and users
ESRS E2 Pollution	ESRS S2 Value Chain Workers	
ESRS E3 Water and Marine Resources	ESRS S3 Affected Communities	
ESRS E4 Biodiversity and Ecosystems	ESRS S4 Consumers and Users	
ESRS E5 Resource Use and Circular Economy		

The publication of an additional 40 ESRS dedicated to different sectors is also planned.



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## References

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An aerial photograph of a lush green forest. A winding river flows through the center of the image, surrounded by dense trees. Mist or smoke rises from the forest floor in several places, creating a dreamy atmosphere. The text 'interzero' is centered over the river, with 'zero waste solutions' below it.

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zero waste solutions