

Checklist: How to Prepare for the CSRD

<p>01 Assess Applicability: Determine if your company falls within scope of the CSRD.</p>	<ul style="list-style-type: none"> ✓ Get started using our CSRD Assessment here and seek legal advisory to help with this step.
<p>02 Understand Requirements: Familiarize yourself with the specific reporting requirements under the CSRD, including the types of information to be disclosed and the format for reporting.</p>	<ul style="list-style-type: none"> ✓ Undertake a gap analysis of your current positioning to identify gaps and next steps. <hr/> <ul style="list-style-type: none"> ✓ Speak to one of our ESG experts to learn more about our ESRS Readiness Assessment here.
<p>03 Set up Governance, Engage Experts, Educate Workforce: Set up a governance structure for sustainability reporting, including assigning roles and responsibilities. Plus, plan for the assurance process.</p>	<ul style="list-style-type: none"> ✓ It would be beneficial to set up a CSRD Task Force consisting of cross-functional representatives from across the business, including stakeholders such as HR, Operations, Risk and Legal. <hr/> <ul style="list-style-type: none"> ✓ Educate your stakeholders on the CSRD, what it means for your business, and how it can help your business better assess and manage sustainability-related impacts, risks, and opportunities. <hr/> <ul style="list-style-type: none"> ✓ Engage with independent third-party auditors as early as possible to ensure your process is going to meet their audit criteria. They will review and validate your sustainability information.

04 Conduct a Double Materiality Assessment:

Completing a [double materiality assessment](#) will help identify the most relevant ESG issues for your company.

✔ You could do this in-house or seek expert support to complete the assessment for you. Explore Novata's double materiality offerings [here](#).

✔ Use any learnings to inform your sustainability due diligence process. Findings from your existing due diligence process should also inform your double materiality assessment.

✔ Based on the results, develop and document policies and procedures that may have been identified as missing in your assessment.

05 Develop Processes for Data Collection and Management:

Companies may need to collect up to 1,200 data points for the CSRD, making it crucial to establish robust data management systems early.

✔ Identify internal and external sources of sustainability data.

✔ Implement or upgrade your data management systems to capture, process, and report required information.

✔ Establish controls and procedures to ensure the accuracy, completeness, and reliability of sustainability data.

06 Data Collection and Information Gathering:

Although some data points were gathered during your double materiality assessment, conduct a full pilot data collection to identify gaps and areas for improvement.

✔ Aim to complete a full round of data collection in accordance with the ESRS and the topical standards identified from your double materiality assessment.

✔ Using this first round of data collection, work to identify gaps, areas of prioritisation, and solutions to improve ahead of your disclosure year. Learn more about Novata's [CSRD Optimization](#) offering.

07 Stay Updated:

Keep abreast of developments in sustainability reporting standards and practices.

✔ Continuously improve your reporting processes. One thing to be particularly aware of is the sector-specific standards in development as these may result in additional guidance or changes to your disclosure requirements.

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